

Missouri Development Finance Board



MISSOURI'S
INNOVATIVE
FINANCING
RESOURCE

The Term in Review

July 1, 1996 to June 30, 2000

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MISSOURI DEVELOPMENT FINANCE BOARD



This mission is the challenge that the Missouri Development Finance Board has issued to itself. This mandate is the result of years of development financing throughout the State of Missouri and is one the Board will continue to strive to meet.

"To assist infrastructure and economic development projects in Missouri by providing the critical component of the total financing for projects which have a high probability of success but are not feasible without the Board's assistance."

- Adopted by the Board, November 1996

While the Development Finance Board's current legislative authorization was enacted in 1993, the Board's direct predecessors date to 1982. It was in 1982 that the State created the Missouri Industrial Development Board and the Missouri Economic Development Commission. With an initial capitalization of \$500,000, the Industrial Development Board was authorized to provide loans to small businesses and to issue industrial development bonds and loan the bond proceeds to small business borrowers. The Commission was authorized to guarantee bank and Board loans as well as industrial development revenue bonds. To date, the Board has received approximately \$6 million in appropriations to secure its guarantees.

In 1985, legislation was enacted which merged the Commission into the Industrial Development Board. In addition to expanding the powers of the new Board by granting it the authority to finance public infrastructure improvements, the consolidation itself accomplished several goals. The most important of these were improvements in operational efficiencies and reduced confusion over accessing programs by businesses and local economic development organizations.

With the combination of the Missouri Industrial Development Board and the Missouri Economic Development Commission in 1985, membership increased to nine. The new Board was authorized to fund public infrastructure improvements for local governments and state agencies and grant 50% tax credits to Missouri taxpayers making contributions to the Board. During this period, the Board became increasingly active in providing loan guarantees similar to the SBA 7(a) program. This remained an active program and pursuit of the Board through 1991. Beginning in 1986, the Board became increasingly active in issuing tax-exempt industrial development revenue bonds. From 1988 to the present, the Board has generally been one of the largest issuer of these types of economic development bonds in the State. In 1986, the Missouri Infrastructure Development Opportunities Commission (MIDOC) was created. MIDOC had the authority to

provide low interest loans and grants to local political subdivisions and state agencies to finance public infrastructure projects.

In 1989, legislation was enacted into law abolishing MIDOC and transferring its powers and authority to the Board. In anticipation of this legislation, the Department of Economic Development sponsored the transfer of \$1.5 million from MIDOC to the Board to fund a low interest (3%) revolving loan fund for rural communities and water districts for critical water and sewer infrastructure improvements. Amortization terms for these loans are a maximum of 20 years. This program has been very successful. It has experienced no defaults and all interest earnings along with principal repayment go back into the fund for new loans. The 1989 legislation changed the Board's name to the Missouri Economic Development, Export & Infrastructure Board.



The Board assumed its current name, the Missouri Development Finance Board, in 1993. Under this legislation, the Director of the Department of Economic Development and Director of Agriculture became ex-officio voting members. These two Department Directors had been ex-officio non-voting members since 1982. Also, on November 3, 1992, Proposition C was adopted by state-wide referendum, which amended the state constitution by expanding the role of the Lieutenant Governor, making this office holder an ex-officio voting member to this Board and four other boards and commissions. The Board's remaining nine members (for a total of twelve) are appointed by the Governor with the advice and consent of the Senate. These members serve staggered, four-year terms.

During 1995, the Board became a city-state partner of the Export-Import (Ex-Im) Bank of the United States of America. The City/State Partners Program is a joint effort between the Ex-Im Bank and state and local entities around the country to bring Ex-Im Bank's financing services to small and medium-sized U.S. companies that are ready to export. The Board's relationship with Ex-Im Bank provides Missouri companies a direct line to export financing. Export finance programs include guarantees, loans, and export credit insurance. In 1996, Governor Carnahan entered into a Memorandum of Understanding with the Export-Import Bank which formalizes the partnership between the Department of Economic Development, the Board, and the Export-Import Bank.

The next major statutory change impacting the Board occurred in 1996. In 1996, wide-ranging economic development legislation was enacted into law, which, among other things, created a whole new section of Board authority. This section, entitled Business Use Incentives for Large-Scale Development ("BUILD"), authorizes the Board, in conjunction with the Department of Economic Development, to issue bonds and lend the proceeds to companies to provide partial funding toward major expansion or location projects in the state. As these borrowers make annual debt service payments to retire these bonds, the Board issues tax credits back to the borrower in the amount of these payments. Throughout the life of the program, these projects are held accountable for the creation of net new jobs and average wage benchmarks. Due to the structure of the program, the credits are awarded based upon the achievement of these benchmarks.

Over the last 18 years, the Board has seen its original mandates broaden and has welcomed the additional challenges and responsibilities. The Board has taken its charge to facilitate economic development and assist in business expansion very seriously. The Board realizes there is much more that can be done and will continue to rise to the challenge in the future.

CITIZENS OF THE STATE OF MISSOURI:

It is with great pleasure that we present to you, the citizens of Missouri, the term's successes of the Missouri Development Finance Board from 1997 — 2000. During the final years of the 20th century and the beginning of a new millennium, the Board has continued to play a significant role in Missouri's economic prosperity as a private partner in the economic development arena.

In fact, the Board has been providing development financing in Missouri for nearly two decades. Since its inception in 1982, the Board has assisted private investment of more than \$1.3 billion in more than 300 development projects. In just the last four years, projects that have been assisted by the Board have facilitated the creation of more than 10,000 new jobs.

Just as Missouri communities differ from region to region, the Board offers a variety of programs to meet the diverse needs of the state's neighborhoods. The Board diligently analyzes and considers each individual project, whether in a small, rural community or a larger urban area.

With the continued support of our partners — local and state officials, the staff of the Missouri Department of Economic Development and you, the citizens of the State of Missouri — the Board will continue to provide the critical financial component necessary to help Missouri communities and businesses grow and prosper.

Very truly yours,



Thomas P. Rackers



Joseph L. Driskill

A handwritten signature in black ink that reads "Thomas P. Rackers".

Thomas P. Rackers, Chairman
Missouri Development Finance Board

A handwritten signature in black ink that reads "Joseph L. Driskill".

Joseph L. Driskill, Director
Missouri Department of Economic Development

MDFB

Board Members



Mr. Thomas P. Rackers is Customer Relations Manager for Sprint Telephone of Missouri in Jefferson City. Mr. Rackers was appointed to the Board in 1991 and currently serves as Chairman. His current term expires in 2000.



Mr. Bill Burch is President of Burch Foods in Sikeston. Mr. Burch was appointed to the Board in 1996. His current term will expire in 2003.



Mr. Martin E. Harrington is the President and Chief Executive Officer of Royal Banks of Missouri in St. Louis. Mr. Harrington was appointed to the Board in 1994 and currently serves as Vice-Chairman. His current term expires in 2000.



Mr. William V. Turner is the Chairman and Chief Executive Officer of Great Southern Bank in Springfield. Mr. Turner was appointed to the Board in 1998. His current term will expire in 2002.



Ms. Susan Lauman-Constance is a private consultant in St. Louis. Ms. Constance was appointed to the Board in 1996 and currently serves as Secretary. Her current term will expire in 2003.



Mr. Paul S. Lindsey is the Chief Executive Officer of All-Star Gas Corporation in Lebanon. Mr. Lindsey was appointed to the Board in 2000. His current term will expire in 2003.



Mr. John D. Starr is President and Chief Operating Officer for Koch Supplies, Inc. in Kansas City. Mr. Starr was appointed to the Board in 1996 and serves as the Board's Treasurer. His current term will expire 2003.



Ms. Elizabeth Solberg is a Regional President and Senior Partner with Fleishman-Hillard in Kansas City. Ms. Solberg was appointed to the Board in 2000. Her current term will expire in 2002.

Former MDFB Board Members

that served during this term



Mr. Michael Ross is the President and Chief Executive Officer of Union Planters Bank in St. Louis. Mr. Ross was appointed to the Board in 2000. His current term will expire in 2000.



Ms. Joan West Stricker is co-owner of Pack's Building Materials in Poplar Bluff. Ms. Stricker was appointed to the Board in 1994 and served as Secretary. Her term expired in 1998.



Mr. Joseph L. Driskill is Director of the Department of Economic Development and member of the Governor's Cabinet. Director Driskill serves as ex-officio voting member.



Ms. Lynne R. Nikolaisen is a Doncaster Consultant in Ballwin. Ms. Nikolaisen was appointed to the Board in 1994 and served as Treasurer. Her term expired in 1998.



Mr. John Saunders is Director of the Department of Agriculture and member of the Governor's Cabinet. Director Saunders serves as ex-officio voting member.



Mr. Darwin A. Hindman, Jr. is Senior Partner with Hindman, Scott, Goldstein & Harder, P.C. in Columbia. Mr. Hindman was appointed to the Board in 1995. His term expired in 1999.



The Honorable Roger Wilson, while Lieutenant Governor of Missouri, served as ex-officio voting member. On October 18, 2000, Mr. Wilson was sworn in as Missouri's 52nd governor to fill the unexpired term of Governor Mel Carnahan.



Mr. John F. Morrissey is President of the Broadmoor Group in St. Louis. Mr. Morrissey was appointed to the Board in 1993 and served as Secretary. His term expired in 1996, but he served until 2000.

MDFB

Board Staff



Mr. Robert V. Miserez, Executive Director, has been with the Board since 1989.



Ms. Alice Bernard-Jones, Export Finance Officer, has been with the Board since 1999.



Ms. Pam Campbell, Executive Assistant, has been with the Board since 1996.



Mr. Lyle S. Rosburg, CPA - Controller, has been with the Board since 1997.



Ms. Tammy Miller, Clerical Assistant, has been with the Board since 1999.



Mr. Jonathan E. Brightwell, Accountant, has been with the Board since 1999.



Ms. Ashley Weaver, Finance Coordinator, has been with the Board since 1995. Ms. Weaver previously held the position of Export Loan Officer before accepting the Finance Coordinator position in 1999.



Mr. David Queen, Esquire, Board Counsel, is a partner with Gilmore and Bell, P.C. in Kansas City.

Bond Financing – Private Activity

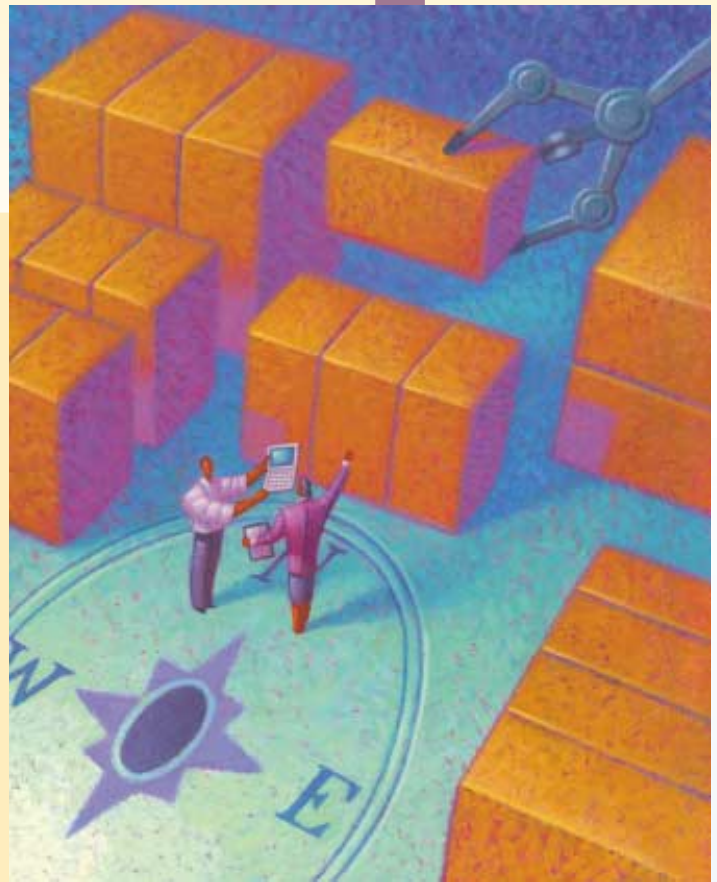
The Missouri Development Finance Board is authorized to issue industrial revenue bonds. The bonds can be used for the acquisition or renovation of fixed assets owned by businesses involved in manufacturing or production of tangible products. Since 1982 pursuant to RSMo 100.270, the Board has issued over \$557 million of industrial revenue bonds assisting 88 projects.

Proceeds from the bond issues can be applied to land acquisition, land improvements, machinery and equipment, building acquisition, renovation, construction, architectural and engineering, issuance cost, and land improvements.

For these types of bonds . . . Private-Activity Bonds, the Board entertains both taxable and tax-exempt bond structures. Interest rates on tax-exempt bonds are significantly less than conventional rates. Various types of projects qualify for tax-exempt financing. MDFB works with a segment of this group—primarily manufacturing, transportation facilities, and 501(c)(3) entities. Other types of projects—for example, student loans, housing, etc.—may qualify for tax-exempt financing and those respective bond issues are financed by other state boards.

Almost any type of business—manufacturing, distribution centers, office/retail—can utilize taxable bonds.

It should be noted that redevelopment projects, including those that eliminate blight, are a focus of this Board's mission.



FISCAL YEAR ENDED 1997:

■ Filtration Group Inc. - St. Joseph

A \$2,700,000 bond issuance provided the funds for the purchase of land, construction and equipping a new facility in

St. Joseph.

This plant will

manufacture a wide range of HVAC related air filtration products.

Filtration Group, based in Joliet, Illinois, will create 74 new jobs at its first Missouri plant.



■ Milbank Manufacturing Company - Kansas City

Proceeds from this \$4,500,000 issue were used to build a 95,000-square-foot addition to its existing facility in Kansas City, expand, equip, and refund three prior Board bond issues. Milbank manufactures and installs industrial paint finishing systems. This expansion will create 30 new jobs.



FISCAL YEAR ENDED 1998:

■ Ambassador Envelope - St. Charles County

This \$6,500,000 issue financed the construction and equipping of a new 108,878-square-foot facility. Ambassador manufactures various sizes and types of envelopes for customers throughout the United States. The company estimates that this new facility will add 100 new jobs to their payroll.





■ MFA - 23 Missouri Locations

This Missouri-based regional farm supply and marketing cooperative, incorporated in 1923, serves 45,000 active members. They have 116 company-owned MFA Agri Services Centers combined with 40 branch locations, 45 locally owned affiliates, and 400 independent dealers. This structure helps farmers, ranchers, and those in agribusiness take advantage of the latest in agricultural trends. The proceeds of this \$6,755,000 bond issue were spent at 23 different sites throughout Missouri. It included

the construction of a fertilizer plant in Columbia as well as retooling and upgrading equipment at several locations in rural Missouri. This project will allow MFA to become more efficient and better serve its Missouri members.



FISCAL YEAR ENDED 1999:

■ Quality Hill - Kansas City

In 1991, the Board issued \$11,385,000 in bonds to provide financing for a redevelopment project near downtown Kansas City. The project included an important housing development component. In 1998, the Board was asked to refinance the previous Board issuance and another local bond. The Board approved the \$15 million refinancing. The original project restored 333 housing units, created 27,367 square feet of commercial space, with a total project cost of \$28 million.

■ Procter and Gamble - Cape Girardeau

In cooperation with the Cape Girardeau Industrial Development Authority, the Board issued \$40 million in bonds which provided a portion of the financing for the \$500 million plant expansion in Cape Girardeau. The proceeds of this issuance were used to construct a sewage and wastewater disposal facility. The plant includes two papermaking machines and created nearly 450 new permanent jobs. During construction, the project employed more than 700 construction workers.

Procter & Gamble

Bond Financing – Private Activity



Bond Financing – Private Activity

■ Kawasaki Motors - Maryville



Eight million dollars in Board bonds issued in 1989 were refinanced in March 1999. The original issue was used to acquire, construct, and equip Kawasaki's production facility in Maryville in northwest Missouri. The original issue resulted in investment of over nine million dollars and created 150 new jobs.

FISCAL YEAR ENDED 2000:

■ Missouri Car Care/Environmental Systems Products, Inc. - St. Louis Area

In August 1999, the Board approved \$31 million in bonds to finance the construction of 12 centralized vehicle emissions inspection test



THE WORLD LEADER IN VEHICLE TESTING



facilities with 41 inspection lanes in the St. Louis area. The project will assist with environmental issues in the St. Louis area and create 260 permanent jobs with an annual payroll of approximately \$3 million.

■ Winghaven / MasterCard - O'Fallon

The Board approved the issuance of \$154,000,000 in bonds for the City of O'Fallon to finance improvements, facilities, and



equipment related to the MasterCard

International establishment of a new Global Technology and Operations Center headquarters to the Winghaven development. In addition to creating over 1,000 new positions, the facility will also utilize the 1,025 employees currently working out of four different St. Louis facilities.

"By locating the new Global Technology and Operation Center in the St. Louis region, we are one step closer to our goal of becoming a recognized leader in technology resources," Governor Mel Carnahan said at the groundbreaking.

"Your assistance was instrumental in expanding our operations in Missouri. Your cooperation and that of the people of Missouri have reinforced our decision to continue to grow in Missouri."

– John J. Hake, President,
Duke Manufacturing

■ Duke Manufacturing - St. Louis and Sedalia

In July 1999, the Board approved \$5.5 million in bonds to finance expansions of the Duke Manufacturing facilities in St. Louis and Sedalia. Duke manufactures stainless steel foodservice products that are sold through a network of dealers, representatives, and direct sales.

The expansion retained 190 jobs and will create up to 50 new jobs in Missouri.



"Your Solutions Partner"

Bond Financing – Private Activity



■ St. Louis Air Cargo - St. Louis (Lambert International Airport)

Fourteen million dollars in private activity bonds were issued to fund an expansion of St. Louis Air Cargo at Lambert

Airport in St. Louis. Air Cargo operates a facility that includes warehouse space and aircraft aprons to facilitate airside access for air cargo companies such as FedEx and UPS.

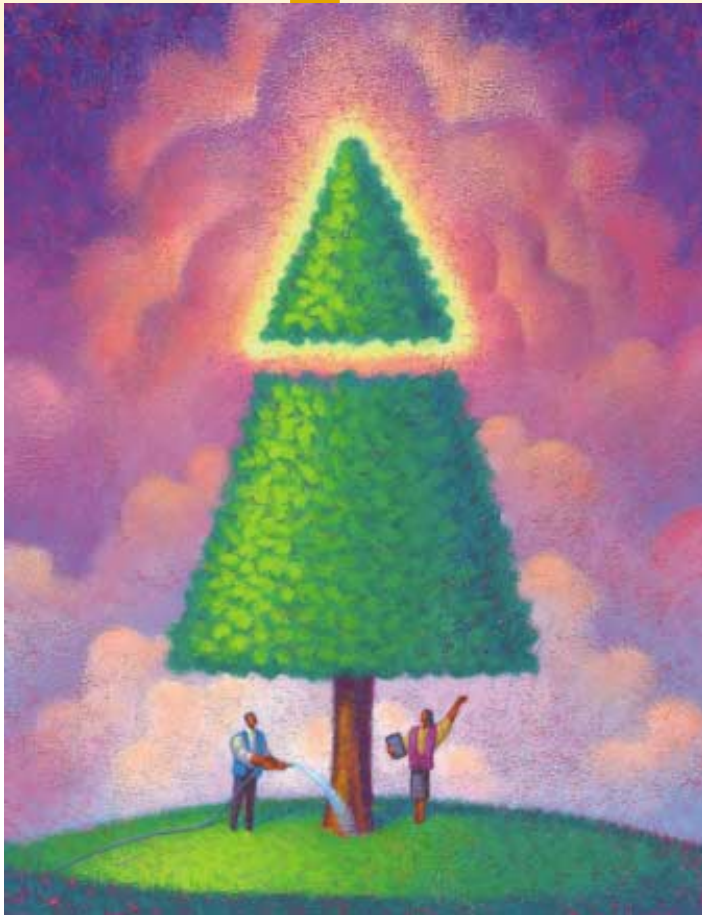
"I want to thank the MDFB for all their help in the financing of our air cargo facility at Lambert Field, St. Louis International Airport. After your organization was contacted, within sixty days we were able to conclude the refinancing of our project in March 2000. Your quick and timely response was very important to our company."

– Myron Haith, President, St. Louis Air Cargo Services, Inc.

■ Delden Manufacturing - Kansas City

This manufacturer of wooden and steel overhead garage doors and accessories used the proceeds from a \$2.25 million Board bond issue to finance a new 84,000-square-foot facility in Clay County. The new facility maintains 75 employees and added five new permanent employees.





Bond Financing – Cultural Bonds

This program is used to finance cultural facilities for qualified charitable organizations. The bonds can be issued for acquisition, construction, renovation, and equipping projects for museums, recreational facilities, or other facilities. The benefit of this financing is that interest rates on tax-exempt bonds are significantly below conventional rates.

The Board believes these facilities contribute substantially to the quality of life in Missouri and strengthen the economy. This program helps support the development of these valuable institutions.

FISCAL YEAR ENDED 1998:

Bond Financing – Cultural Bonds

■ Science City at Union Station - Kansas City



The renovation of Union Station, the second-largest train station in North America, is the largest public-private redevelopment partnership in Missouri. The station had been closed and deteriorating since the mid-1970s. The redeveloped Union Station houses an interactive, education-oriented science museum known as “Science City at Union Station.” Other uses include a

multi-modal transportation hub, IWERKS theater, restaurants, and retail space. The Board issued \$121,100,000 in tax-exempt cultural facility bonds for construction financing. These bonds will be repaid by a unique voter approved Bi-State Tax as well as a private fund raising campaign assisted by the Board's Tax Credit for Contribution Program.

“The MDFB has been a critical partner in several projects that have been important to the economic health of Kansas City. Perhaps the foremost among those has been Union Station/Science City, a complicated public/private partnership which used groundbreaking financing to preserve a community icon and create a unique educational attraction. Without the MDFB, and their timely support, it is unlikely this project would have been accomplished. It is a project that will benefit Greater Kansas City and the children of Kansas City for generations to come.”

- Bill Hall, President, The Hall Family Foundation

■ YMCA of Greater St. Louis - St. Louis and surrounding areas

The proceeds of this bond issue of \$26,910,000 were used in 14 different projects in St. Louis and its surrounding counties. Construction of four new facilities as well as the renovation of 10 current facilities were the results. These locations currently employ 2,376 people and the expansion added nearly 800 jobs.

*We build strong kids, strong families,
and strong communities.*



Bond Financing – Public Purpose



MDFB is committed to meeting the infrastructure needs of Missouri and realizes the importance of these projects to the development of the State. The public purpose infrastructure bond program was started in 1989. Since that time, almost \$400 million in public purpose bonds have been issued to finance 29 projects. Local governments that have projects that serve a public purpose qualify for tax-exempt financing. Tax-exempt

financing allows the local government to borrow money at a lower interest rate than conventional financing. Bonds may be structured for variable or fixed rate financing.

Examples of public purpose projects would include public buildings, jails, police & fire stations, sewer and water systems, and public infrastructure (streets, bridges, utilities). Also, monies may be used for the acquisition of land, relocation and demolition of buildings for redevelopment of blighted areas.

FISCAL YEAR ENDED 1997:

■ Midtown Redevelopment - Kansas City

The Missouri Development Finance Board issued \$17,900,000 in infrastructure revenue bonds for the City of Kansas City and the Tax Increment Financing Commission of Kansas City. The proceeds from the issuance were used to provide long-term financing for the redevelopment of the Linwood and Main, and Mill Street TIF districts. The project consisted of the acquisition of 42 acres of blighted property, commercial and residential relocation, structure demolition, and construction of new infrastructure for the development of two shopping centers.



City of Kansas City
“The City of Fountains”

FISCAL YEAR ENDED 1998:

■ Uptown Theater - Kansas City

The Board issued \$5,000,000 in MDFB tax-credit enhanced tax-exempt infrastructure bonds to help finance the cost of this redevelopment project. Bond proceeds were used for the renovation and redevelopment of the historic Uptown Theater into a multi-media center, renovation of retail and office space, and parking for the surrounding area.



■ Valentine Shopping Center - Kansas City

This project included the redevelopment of 100,000-square-feet of retail and office space. Additionally, the existing site is utilized to provide parking for the surrounding redevelopment activities, including the Uptown Theater project. The Board issued \$3,500,000 in MDFB tax-credit enhanced taxable infrastructure bonds to fund this project.

Bond Financing – Public Purpose

FISCAL YEAR ENDED 1999:

■ Barry Towne - Kansas City

At the request of the City of Kansas City, the Board issued \$14.75 million in bonds for street improvements to the Barry Towne area in north Kansas City. Barry Towne has experienced tremendous development and growth and required street improvements to handle the increased traffic.

■ City of Independence - Rock Hill, Bolger Square, Hartman, Eastland, and Capital Improvements

In fiscal years 1999 and 2000, the Board issued five different bond issues for the benefit of the City of Independence.

The City used the combined \$27.8 million in proceeds to complete various infrastructure and improvement projects throughout the city limits. Projects ranged from wastewater and capital improvements to street infrastructure,

encouraging additional economic development benefits.



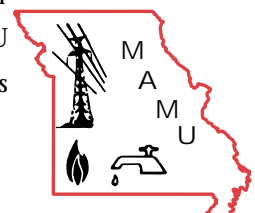
City of Independence

Rich with heritage, providing an exceptional quality of life, Independence, Missouri is a vision of opportunity for visitors and residents alike.

FISCAL YEAR ENDED 2000:

■ Missouri Association of Municipal Utilities - Statewide

The Missouri Association of Municipal Utilities (MAMU), a Missouri not-for-profit corporation incorporated in 1926, is an association for the benefit of municipal corporations that own and lease utilities. MAMU worked with the Board to issue \$100,000,000 in bonds to be used by its members to finance various municipal improvements, such as electrical generation facilities, drainage projects, sanitation and safety, and water/sewer refinancing. MAMU acts as the program manager for the benefit of its members.



■ Midtown Redevelopment (Refinancing) - Kansas City

The Missouri Development Finance Board issued \$46,600,000 in infrastructure revenue bonds for the City of Kansas City and the Tax Increment Financing Commission of Kansas City. The proceeds were used to refinance the \$17.9 million in Board bonds issued in December 1996 and other outstanding issues. Two retailers, Home Depot and Costco, will provide a significant economic and redevelopment boost to assist rebuilding the local neighborhood. The long-awaited project includes a redevelopment component that ties directly into improving the housing stock in the area.



"I would like to take this opportunity to formally recognize the significant contribution the Board has made on a number of Kansas City area redevelopment projects. It has been my pleasure to work with the Board and outstanding staff and counsel over the past five years. MDFB's creativity and measured risk-taking has been pivotal in a series of area projects including: Midtown Marketplace, Uptown Theater, Liberty Memorial, Union Station, and Starlight Theatre."

*- John Crawford, President, Planning and Commissions,
Economic Development Corporation of
Kansas City, Missouri*



Missouri Tax Credit for Contributions



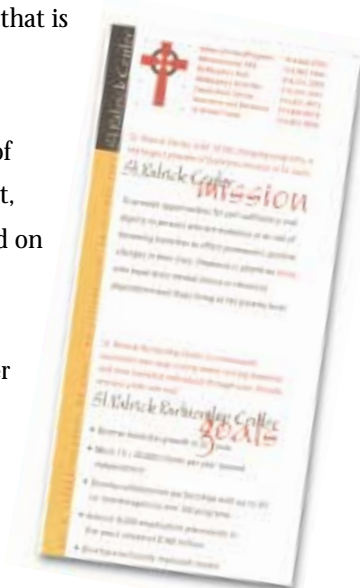
The Missouri Development Finance Board is authorized to grant state tax credits equal to 50% of any monies contributed to the Board

by a taxpayer. The Board can apply the proceeds of the contributions to assist in paying the cost of qualified projects. The use of tax credits pursuant to this program is designed to significantly increase the amount of private contributions for projects that benefit the general public.

FISCAL YEAR ENDED 1997:

■ St. Patrick Center - St. Louis

The Board granted \$477,000 in tax credits to the Land Clearance for Redevelopment Authority of St. Louis to leverage \$954,000 in private contributions for St. Patrick Center. These funds were used to purchase a parking lot that is located near the T.G. Station Building, which had been acquired by the center. A not-for-profit organization, St. Patrick Center helps people who are homeless or at risk of becoming homeless and teaches them to make permanent, positive changes in their lives. Special emphasis is placed on those who experience mental illness or substance abuse. The center, located in downtown St. Louis, has assisted thousands of clients and their families. St. Patrick Center also assists the Department of Mental Health with its mission to provide training to the chronically unemployed or mentally ill.



■ Lambert Airport Expansion Project - St. Louis

The Board granted \$150,000 in tax credits to the St. Louis Regional Chamber & Growth Association to raise private contributions of \$300,000. The money raised from these credits was used to hire an independent firm to develop a land-use plan around the airport. This plan will examine the impact of the expansion on the communities surrounding the airport, airport development opportunities, infrastructure, and transportation needs.



■ Riverside/Quindaro Levee - Riverside

The Board granted \$2,350,000 in tax credits to leverage \$4,700,000 in contributions. These contributions were to help fund the construction of a levee to help protect the Riverside Industrial Park, as well as 1,200 acres of land that was severely flooded in 1993.



Missouri Tax Credit for Contributions



FISCAL YEAR ENDED 1998:

■ City Museum- St. Louis

This project consisted of the renovation of a vacant, 10-story building in the Washington Avenue garment district into an interactive children's museum. This area in downtown St.

Louis has been experiencing substantial decline and turnover in business and residential occupants. The Board allocated \$1,600,000 in tax credits to the Land Clearance for Redevelopment Authority of St. Louis to promote \$3,200,000 in private contributions. Proceeds were used for the acquisition of real estate and renovation of the facility. City Museum will not only be an educational, science, and entertainment facility for children and adults, but it also will serve as an anchor to this redevelopment area.



"Wow! What is left to say? After reading testimonials, editorials, and comments and watching your multi-generational audience, we are speechless."

- Zahava D. Doering, Senior Social Science Analyst, Smithsonian Institution

"When I walked in the door... all the doors, all the windows in my head opened up."

- Georg Taube, Carnegie Science Center designer

"Sandbox for the inner child, The City Museum, where creativity and actual children run wild."

- St. Louis Post-Dispatch editorial

"City Museum is fast becoming the direction that all museums will follow."

- Bob Long, Kellogg Foundation

"St. Louis is a city of neighborhoods strung out over a considerable area. One of the livelier neighborhoods is the warehouse district, an area dotted with new restaurants, clubs, bars and the extremely wacky City Museum. This is a hulking great warehouse remade with a remarkable childlike sense of fun into a great folk-art cross between an adventure playground and an art gallery."

- London Sunday Times

"I just wanted to say that this is the best place that I have ever been!!"

- Dory Dawson, 14 years old

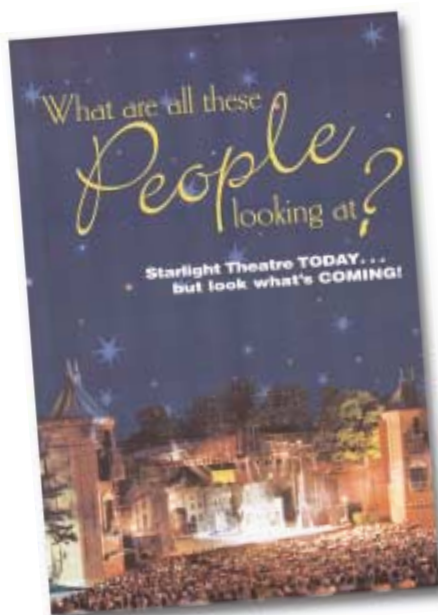


■ Starlight Theatre - Kansas City

The Starlight Theatre has been in operation since 1950. The proceeds raised from \$1,925,000 in tax credits granted to the City of Kansas City were used to construct a main stage tower, a 700-car parking lot, and additional restroom facilities. The new main stage tower allows the theatre to reduce its operating cost as well as offer more Broadway-scale musical productions. The total original project cost was estimated to



be \$7 million with MDFB contributions raising nearly half of that amount.



■ Hotel Governor - Jefferson City

The Governor Hotel, located in downtown Jefferson City, had been vacant and deteriorating since 1982. Renovation has now transformed this 59-year-old dilapidated building into a valuable asset. The hotel, appraised at \$800,000, was donated to the Board for \$100,000 in tax credits. The building was then transferred to the applicant of the project, the City of Jefferson City, for rehabilitation. The ten-story structure was renovated into 84,405-square-feet of office space mainly leased by state agencies with additional retail space available on the first floor.

"I traveled to Jefferson City and became interested in the building. I couldn't believe that it had been vacant for so long, especially in its prime downtown location next to the Governor's Mansion."

- Bruce Cohn, real estate developer

Missouri Tax Credit for Contributions

■ Donald Danforth Plant Science Center - Creve Coeur

Twenty-five million dollars in tax credits, used to leverage \$50 million in private contributions, provided partial financing of the Donald Danforth Plant Science Center - a \$146 million dollar state-of-the art plant biology research center located in Creve Coeur, a St. Louis suburb. The original principals of the Danforth Center - the Missouri

Botanical Garden, Monsanto Company, University of Missouri-Columbia, Washington University, and University of Illinois-Champaign - have created a 501(c)(3) entity that will own and operate the research facility, the goal of which is to discover sustainable production



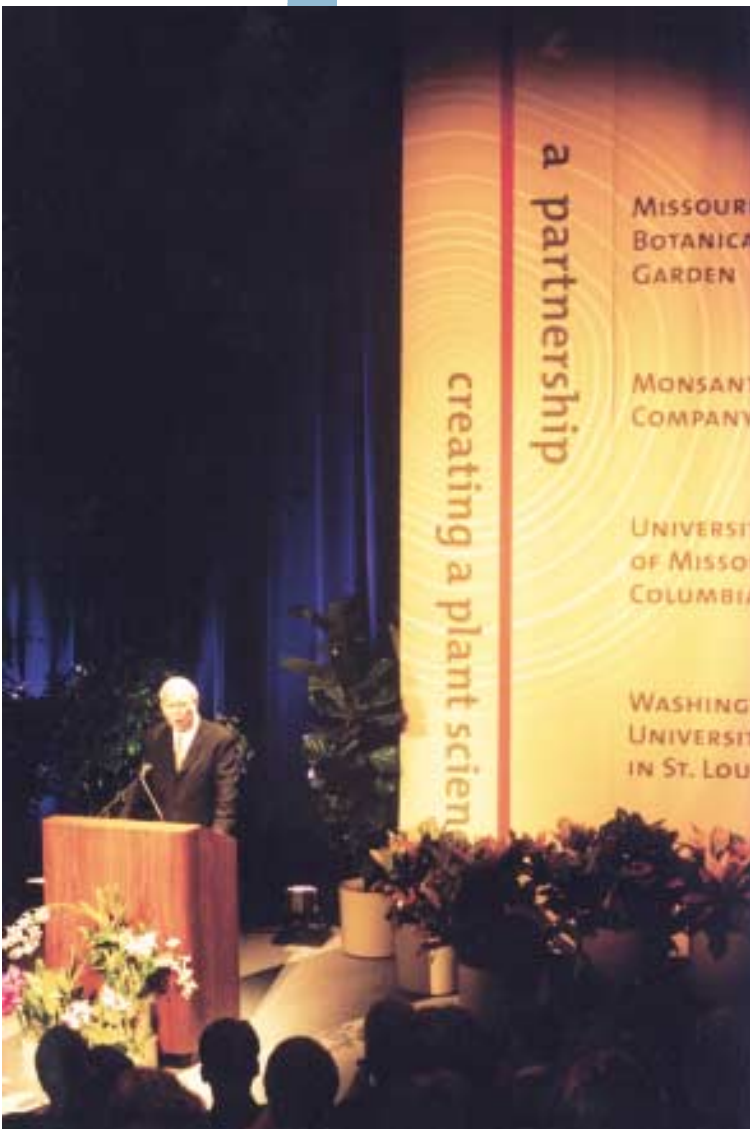
"The St. Louis region is emerging as 'the Silicon Valley' of biotechnology and plant sciences."

- Christian Science Monitor

methods for agriculture, forestry and allied fields. Eventually, the Danforth Center is

expected to create, either directly or indirectly, 1,000 jobs that provide more than \$50 million in salaries and benefits. In addition, the Danforth Center will assist start-up to 30 new businesses that are expected to employ 3,000 people over the next 25 years.

Peter Raven, Ph.D., Director of the Missouri Botanical Garden, during the formal announcement of the Donald Danforth Plant Science Center, July 31, 1998.

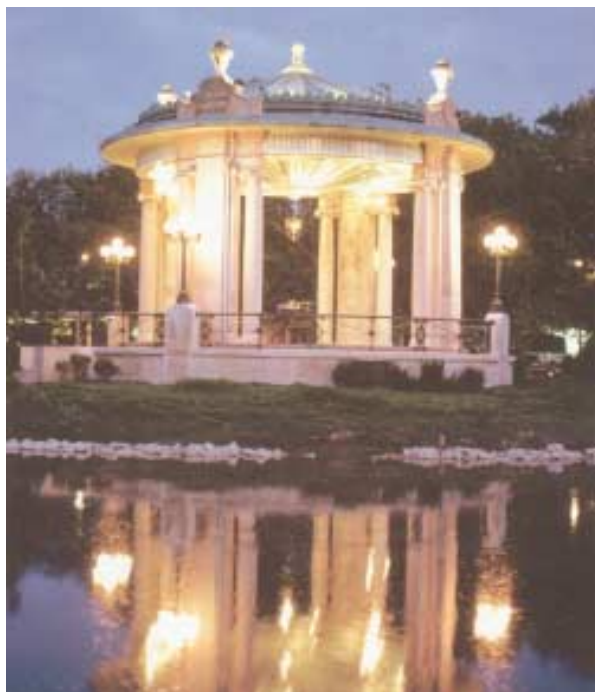


■ Forest Park Forever - St. Louis

Forest Park, established in 1876, is one of the largest urban parks in the United States. With 1,375 acres, it is approximately 300 acres larger than Central Park in New York. In addition to its multi-faceted recreational use, it is home to five of the largest cultural attractions in the state including the St. Louis Zoo. Forest Park's neighbors include Washington University and the Barnes-Jewish-Christian (BJC) Hospital complex, both of which are important assets and economic generators for the area as well as the state. Forest Park Forever, a 501(c)(3) entity, and the City of St. Louis, formed a partnership to rebuild the park's deteriorating

"I PRESENT TO YOU, THE PEOPLE OF ST. LOUIS, YOUR OWN, THIS LARGE AND BEAUTIFUL FOREST PARK FOR ENJOYMENT OF YOURSELVES, YOUR CHILDREN AND YOUR CHILDREN'S CHILDREN FOREVER . . . THE RICH AND THE POOR, THE MERCHANT AND THE MECHANIC, THE PROFESSIONAL MAN AND DAY LABORER, EACH WITH HIS FAMILY AND LUNCH BASKET, CAN COME HERE AND ENJOY HIS OWN . . . ALL WITHOUT STINT OR HINDRANCE . . . AND THERE WILL BE NO NOTICE PUT UP." "KEEP OFF THE GRASS."

CHAUNCEY F. SCHULTZ
JUNE 24, 1876
—OPENING CEREMONIES FOR FOREST PARK



*The grandeur and fun
of Forest Park.*



infrastructure and facilities. Each party is responsible for funding one half of the \$86 million project. The Board's granting of \$6 million in credits, which will leverage \$12 million in private contributions over the next three years will help fund the not-for-profit's costs to rebuild roads throughout the park, the critical, yet missing piece of the project. With this funding source in place, the city and private fundraising commitments will finance the remaining infrastructure and building renovations necessary to complete this restoration.

"The restoration of Forest Park is one of the most important redevelopment projects ever to take place in the City of St. Louis. The Missouri Development Finance Board tax credits have proven to be an important and vital incentive to potential donors to Forest Park Forever, enabling us to raise much more money at a much greater pace than we had originally projected. We are grateful to the Finance Board for their foresight and confidence in this project, which, when completed, will have a major impact on the St. Louis economy."

- Sam Hayes, former President,
Forest Park Forever

Missouri Tax Credit for Contributions

■ The American National Fish and Wildlife Museum - Springfield



The “Wonders of Wildlife” project will house 500,000 gallons of water in 25 tanks, 92,000-square-feet of museum space, and 160 species of live animals. MDFB approved \$9 million in tax-credits for the American

National Fish and Wildlife Museum District, a public entity in Springfield. The contributions raised will help pay for acquiring, constructing and equipping the museum. This museum will serve to educate, inform, and entertain its guests concerning the history of hunting and fishing and the need to conserve our natural resources. In addition to Board financing, the Department of Conservation, and a Springfield hotel/motel tax have played a significant role in funding this project.

■ Fellowship of Christian Athletes - Kansas City

The Fellowship of Christian Athletes (FCA) is a 501(c)(3) tax-exempt charitable organization that is committed to positively influencing young athletes with moral and spiritual principles. The



F C A

accomplishes this mission by using programs such as huddle groups, adult chapters, urban programs, camps and conferences. These core programs reach more than 500,000 students each year. The FCA headquarters has been located in Kansas City since 1956, and at its current 25,000-square-foot location since 1979. This project includes a new 25,000-square-foot addition to the existing building to help meet growth needs. The City of Kansas City requested tax credits of \$1,500,000 to help raise contributions of \$3,000,000. The total project cost is estimated to be \$7 million.



FISCAL YEAR ENDED 1999:

■ Science City at Union Station - Kansas City

In 1999, the Board granted the Union Station project an additional \$5 million in tax credits for a total commitment of \$21 million in tax credits to leverage \$42 million in private contributions. These funds are being used in conjunction with the \$121,100,000 in Cultural Facility bonds issued by the Board to renovate historic Union Station and construct Science City.



■ Conservation Discovery Center - Kansas City

In March 1999, the Board granted \$800,000 in tax credits to generate \$1.6 million in private contributions toward the construction of this project. The contributed funds will be used by the Missouri Department of Conservation for the construction of a new educational facility focusing on nature and the role of conservation in the heart of Kansas City targeted at youth and other urban residents.

■ Truman Library - Independence



The Truman Library will use the \$7 million of proceeds generated from the use of \$3.5 million in tax credits authorized by the Board to help finance the renovation, modernization, and expansion of the Truman Presidential Library in Independence. The Truman Library is

**Harry S. Truman
Library and Museum**



*Creating a Classroom
for Democracy*

the largest tourist attraction in Independence and is a valued and treasured tourism and research asset to Missouri. The total project cost is

Missouri Tax Credit for Contributions

“IN HONOR OF THOSE WHO SERVED IN THE
WORLD WAR IN DEFENSE OF LIBERTY AND
OUR COUNTRY.”

*-That inscription, on the Liberty Memorial tower, very
simply describes the reason for the memorial itself*

budgeted at \$22.5 million.

■ Liberty Memorial - Kansas City

Liberty Memorial is the largest U.S. monument to WWI. Construction was completed and the memorial dedicated in 1926. It remained open to the public until 1994. The Kansas

City voters approved a half-cent sales tax in August 1998 to restore the memorial. The Board granted tax credits to raise private contributions to help restoration and improvements of the WWI museum located under the Memorial. The comprehensive plan includes an

endowment and is budgeted at \$80 million.



FISCAL YEAR ENDED 2000:

■ National Association of Basketball Coaches - Kansas City

In July 1999, the Missouri Development Finance Board approved \$2,000,000 in tax credits to the City of Kansas City for the National Association of Basketball Coaches (NABC). The credits will be used to generate

\$4,000,000 in contributions, providing partial funding for the renovation, construction, and furnishing of a national headquarters facility, a college coaches Hall of Fame and Museum, and a “Fan Jam” basketball facility in Kansas City’s Municipal Auditorium. The NABC plans to host an annual “marquee” college basketball game, “coaches clinics,” and annual Hall of Fame induction event. These events will draw substantial out-of-town attendees and provide economic benefit to Kansas City and the State of Missouri. The total fundraising



campaign is \$8 million and the city will lease 50,304-square-feet of Municipal Auditorium to the NABC for \$1 per year.

■ MID.TEC Reapproval - St. Louis

In March 1996, \$1.1 million of tax credits were granted to generate \$2.2 million in contributions for this project. The contributions were to be used to provide facilities for the relocation of Midwest Manufacturing Technology Corporation of St. Louis ("MID.TEC"), a general not-for-profit corporation, in the city's enterprise community adjacent to the central business district. The primary goal of MID.TEC is to provide high-tech manufacturing training programs to young adults, specifically minorities and the economically disadvantaged. Upon entering the program, each student will be guaranteed a job upon graduation by one of the 180 corporate members of MID.TEC. Due to various issues, the project was unable to raise its original contributions, but returned to the Board for a reallocation of \$415,000 tax credits.

■ Forest Park Forever (Additional Allocation) - St. Louis

In fiscal year ended 2000, the Board allocated an additional \$1.1 million in tax credits for Forest Park



"The state tax credits awarded to Forest Park by the Missouri Development Finance board have had a profound impact on the \$43 million capital campaign for the Park's restoration. They have proven to be a critical incentive to companies and individuals who otherwise might not have been motivated to contribute to this important beautification and infrastructure project. In particular, this powerful fundraising tool enabled Forest Park Forever to raise \$10 million from mid-sized companies, which qualified us for a \$5 million challenge grant from the Danforth Foundation. The future of this asset is secure - thanks in large part to the Finance Board."

- James F. Mann, Executive Director, Forest Park Forever

Forever. This pushed total Board support for the \$86-million project to \$7.1 million in tax credits. In August 2000, the Board approved an additional \$2 million in tax credits for a

Missouri Tax Credit for Contributions

final Board commitment of \$9.1 million in tax credits, which will leverage a total of \$18.2 million in contributions.

■ River Campus - Cape Girardeau



The St. Vincent's Seminary – soon to be the School for Visual and Performing Arts.

Historic St. Vincent's Seminary was acquired by



Southeast Missouri State University and will be renovated and expanded into the new home of the School for Visual and Performing Arts. The facility, to be called River Campus, will retain its historic image, but will add multiple performance venues and a regional museum. The facility is budgeted at \$36.7 million and is being funded by \$17.8 million in State appropriations, \$8.9 million in a lodging/restaurant tax assessed in the City of Cape Girardeau, and \$10 million in

contributions from the Board's allocation of \$5 million in tax credits. The River Campus location overlooks the Mississippi River and a new river bridge to be completed in 2002.

■ Starlight Theatre (Additional Allocation) - Kansas City

In December 1999, the Board increased its commitment to Starlight Theatre by approving \$250,000 in additional credits to assist the renovations and expansion of the theatre originally approved in 1997. The total Board tax credit commitment is now \$2,175,000.

■ Fellowship of Christian Athletes (FCA) (Additional Allocation) - Kansas City

The fundraising efforts of the FCA were rewarded with the Board's approval of \$325,000 in additional tax credits, in support of the FCA Kansas City Headquarters' location

expansion. The original project was approved in May 1998. The total Board commitment will generate \$3.65 million in contributions.

■ MODOT / Farmland Industries - Kansas City

In order to encourage the corporate offices of Farmland Industries to remain in Missouri, the Department of

“Working with [the Board] has been refreshing as we navigated the rather complex legalities and processes required implementing the economic incentives for our new headquarters facility in Kansas City.”

- John Pauley,
Manager of Property Operations,
Farmland Industries, Inc.

Economic

Development
offered

incentives which included Board tax credits to fund public infrastructure improvements around the Farmland site in North Kansas City. The \$1,161,777 in tax credits will assist the Missouri Department of Transportation’s (MODOT)



Proud to be farmer owned®

financing of road improvements. Farmland Industries is a diversified agri-business company serving 600,000 farmer-owners. Farmland plans to invest more than \$80 million and will retain 1,600 jobs and create 250 new jobs.



General Comment on Tax Credits:

“Tax credits have become a great incentive for increasing the charitable giving of several Community Foundation donors. The transferability of MDFB credits allows the proceeds of the transfer to be returned to the donor for yet more giving. Everybody wins: the charity receiving the donation, the donor making the gift, and the taxpayer that purchases the

Missouri
Tax Credit
for
Contributions:

Downtown
Revitalization
Program

credits.”

- Carolyn Lehr, Director, Greater Kansas City Community Foundation.

Downtown Revitalization Program



Designed as a companion to the Missouri Tax Credit for Contributions Program, the Downtown Revitalization Program targets communities with populations under 50,000 individuals. This program helps those communities to redevelop downtown areas by

generating private funding for public-purpose infrastructure improvements. The Board expects the renovated downtown areas to attract new occupants and draw additional investors into the downtowns, boosting the economic health of the communities. The program is designed as a companion program with the Department of Economic Development's Main Street Program, Neighborhood Assistance Program

(NAP), and Community Development Block Grants-Downtown program.

■ Sweet Springs Revitalization

Sweet Springs Revitalization made application to MDFB to replace streetlights and make sidewalk improvements on Main Street. The application was approved for \$13,750 in tax credits for this \$27,500 project. The City of Sweet Springs, located in Saline County, has a population of 1,595.

■ Lexington Downtown Pride

With a population of 4,860, the town of Lexington in West-Central Missouri, had their application of \$112,209 in tax-credits approved for a \$224,418 project. This project encompasses the second phase of the revitalization of the Lexington Downtown Historic Business District. This phase includes the installation of 50 historic street lights with underground wiring, benches, trash receptacles, replacement of overgrown trees, and large flower containers on street corners.



■ Versailles Hometown Beautification

This Versailles downtown project is



“Without [the Board’s] help the past couple of years, it would have been impossible for us to accomplish our project. Since NAP (Neighborhood Assistance Program) cut out the ‘bricks and mortar’ portion of their grants the year we were granted, going through the Missouri Development Finance Board was our only saving grace.”

- Evva Lisenbee, President,
Versailles Hometown Beautification Project

estimated to cost \$246,258, MDFB approved \$123,129 in

Missouri Tax Credit for Contributions:

Downtown Revitalization Program

tax credits to pay for downtown square improvements including the removal of old overhead wiring and poles and the installation of underground wiring and new light standards. The City of Versailles, north of the Lake of the Ozarks in Morgan County, has a population of 2,500.

■ Charleston Downtown Revitalization



The town of Charleston, population 5,085 in Missouri's bootheel, received approval from the Board for \$28,272 in tax credits to leverage \$56,544 in contributions for the renovation of a wooden shingle canopy over the sidewalks of a six-block area of Main Street. The canopy was constructed in the 1970s using urban renewal funds. The structure had deteriorated to the point where lighting was rusted and the canopy roof was leaking.

■ Monett Downtown Revitalization

In December 1998, the Board allocated \$131,400 in tax credits to raise \$262,800 in contributions to help fund \$1,372,000

in improvements to downtown Monett in Southwest Missouri in Barry County. The project included replacement of sidewalks and curbs, a water main and related service lines, and street lights; construction of storm water control drains; added pedestrian lights; and fulfillment of ADA requirements. Monett successfully funded its project through the creation of a unique public and private partnership for the betterment of its downtown district.

■ Warsaw Downtown and Riverwalk Revitalization

Located at the dam of the Harry S Truman Reservoir and the start of the Osage River heading into the Lake of the Ozarks, Warsaw developed a \$511,450-master plan to improve its downtown and riverfront. The project includes replacement of sidewalks and curbs, compliance with ADA requirements and will

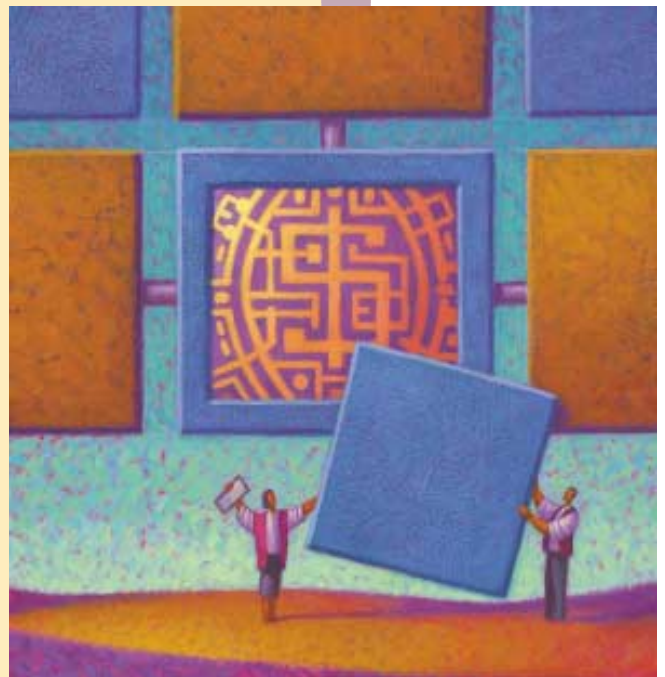


Missouri Infrastructure Loan Program

Since the program's inception in 1988, the Missouri Development Finance Board has made 58 Missouri Infrastructure Development Opportunities Commission (MIDOC) loans totaling \$3.35 million.

Through this program, the Board offers long-term, low-interest loans to local political subdivisions or rural public sewer and water districts to fund infrastructure improvements. Water and sewer projects remediating public health and safety issues are prioritized. Interest rates are 3% with loan terms up to 20 years. The maximum loan amount under this program is

\$100,000, with a minimum of \$20,000. The Department of Economic Development processes applications for this program and makes funding recommendations to the Board.



FISCAL YEAR ENDED 1997:

■ Linn County PWSD #1 - Purdin

In October 1996, a \$28,732 loan was approved for Linn County Public Water Supply District #1. These funds were used to assist in financing the construction of a new water treatment plant, drilling a new well, and installing of a raw water transmission main. Linn County PWSD #1 serves approximately 525 families and businesses.

■ City of Steele

A \$70,000 loan from MDFB enabled the City of Steele to rehabilitate its water treatment plant. Chemical corrosion had caused the water treatment plant to deteriorate. These funds have improved the health and safety of the city's water.

■ City of Golden City

A \$60,000 loan was approved for Golden City in January 1997. The loan was used to help repair the flood damage sustained to the municipal sewage collection system and to construct a dike around the wastewater treatment plant. Without improvements, the system posed a serious health hazard to the nearly 800 residents of Golden City.

FISCAL YEAR ENDED 1998:

■ City of Elsberry

The City of Elsberry, a community of 1,898 persons in Eastern Missouri, was approved for a \$75,000 MDFB loan. This loan, along with a state Community Development Block Grant (CDBG), was used to increase the city's water storage capacity. The City was operating its storage system at dangerously low levels; only 100,000 gallons of storage to meet a daily demand of 350,000 gallons. Elsberry constructed a 250,000-gallon elevated water tower to provide adequate storage.

■ City of Blackwater

MDFB approved a \$50,000, 20-year loan to assist the city of Blackwater in replacing its wastewater collection system. The existing, inefficient system would not pass Department of Natural Resources (DNR) guidelines and was replaced by a gravity flow system. The City of Blackwater has a population of 221.

■ City of Blackburn

The city of Blackburn, a community of 308 persons, was experiencing a large number of breaks in its water system, causing an annual water loss of 20% - more than double what DNR specifies for a typical system. In addition, the water system was comprised of antiquated 2" and 4" lines that were inadequate for fire protection. The combination of these problems constituted a health hazard. MDFB made a 20-year loan to Blackburn for \$85,000 to replace and repair their water system.

■ City of Rogersville

MDFB approved a 20-year, \$100,000 loan to the city of Rogersville to update its water system. The system not only was in violation of federal and state Safe Water Drinking Act, but also had an insufficient storage system. Rogersville passed a bond issue in 1994 to correct these problems, but due to unforeseen circumstances all of the funds were expended. The loan from MDFB, along with a state CDBG grant, allowed the city to complete its project.



Missouri Infrastructure Loan Program

FISCAL YEAR ENDED 1999:

■ City of Otterville

Otterville will use \$458,800 in CDBG funds, \$19,000 in city funds, and a \$85,670 20-year Board loan to finance the construction of new replacement distribution lines and a 150,000-gallon storage tank. Otterville, population 505, is located in Cooper County in central Missouri.

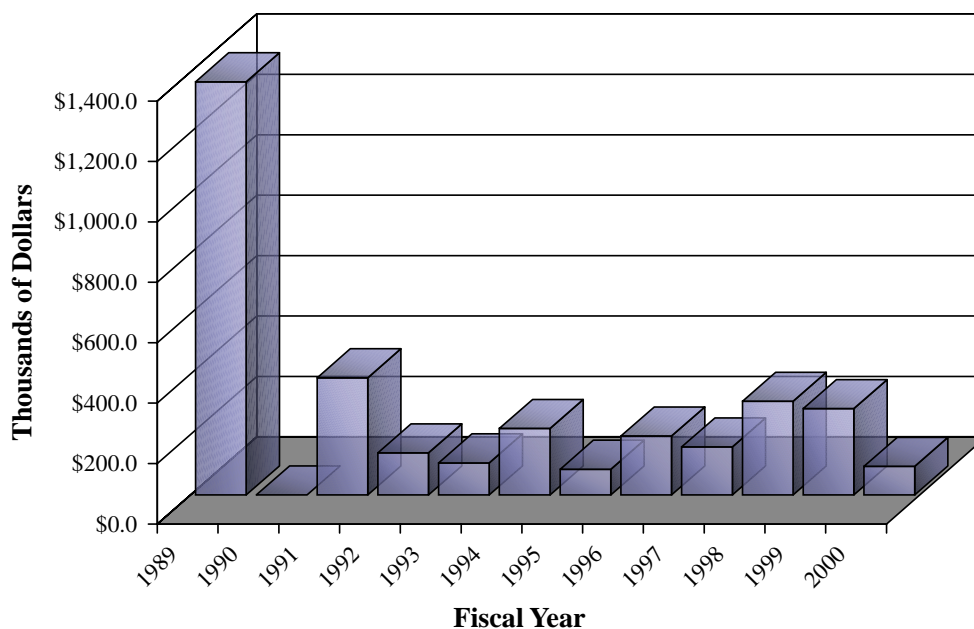
■ City of New Franklin

The City of New Franklin in Howard County was awarded a CDBG Grant of \$366,200 and was approved for a \$100,000 infrastructure loan to improve its water system, specifically the replacement of 20,000-linear-feet of water distribution lines.

■ City of Unionville

To assist with the financing of improvements to its water treatment plant and new intakes at the pre-sedimentation basin at Thunderhead Lake, the city of Unionville in north central Missouri was granted a \$100,000 MIDOC loan and received a CDBG grant.

Infrastructure Loans by Principal Amount



FISCAL YEAR ENDED 2000:

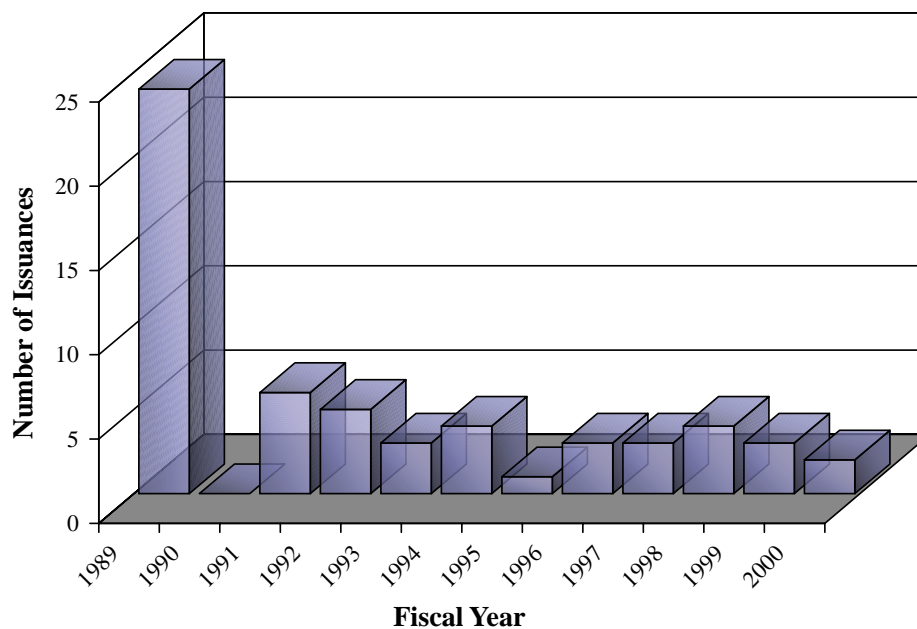
■ City of Ava

In January 2000, the City of Ava, population 2,938 located in Douglas County in south central Missouri, was approved for a \$44,700 MDFB infrastructure loan. Ava will use the funding to improve its water system, specifically the construction of an elevated storage tank and booster pump. The loan will be used to connect water and electric lines from the new tank to the existing system.

■ City of Orrick

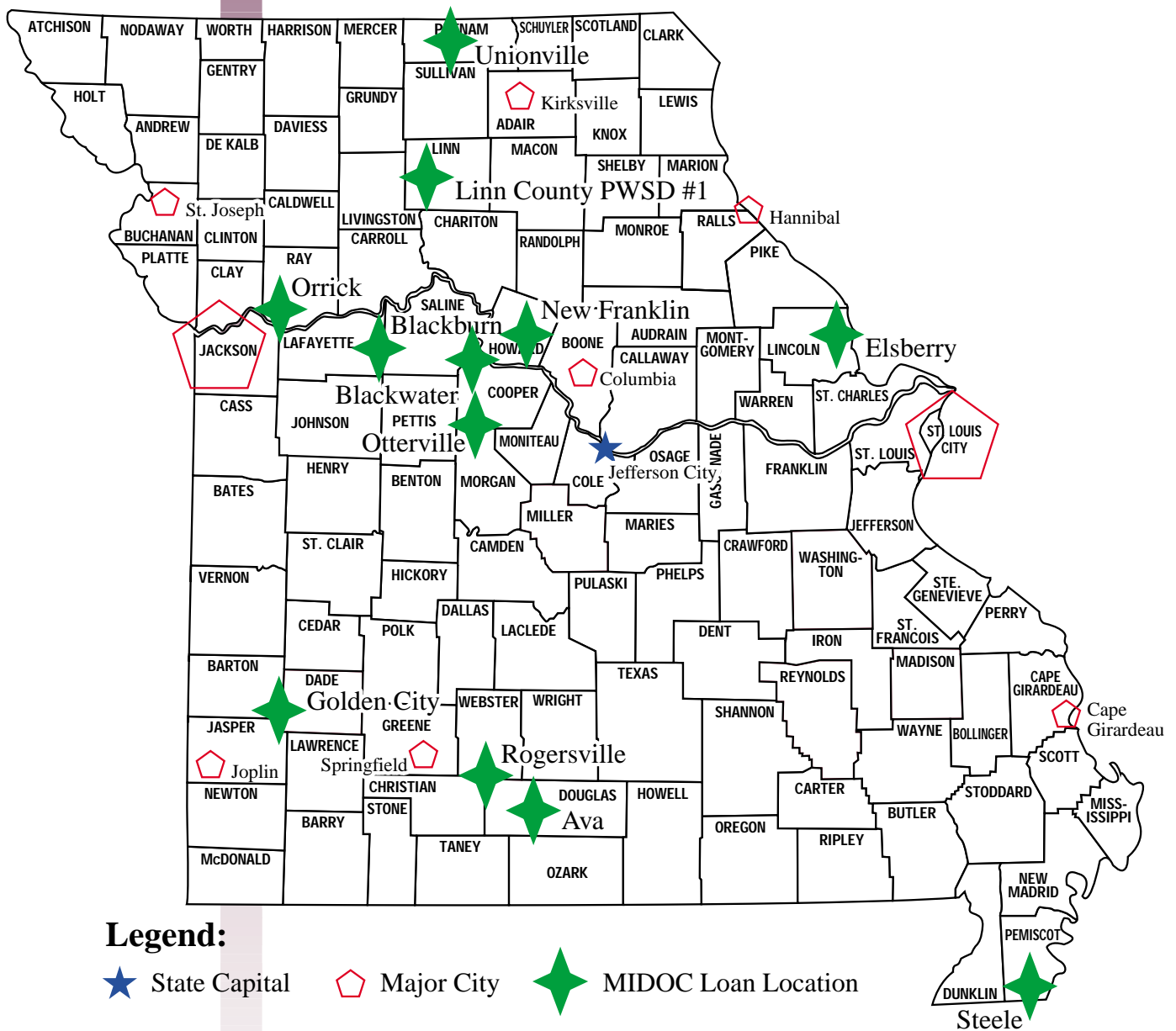
MDFB approved a \$50,000, 15-year loan to assist the city of Orrick in the construction of an elevated storage tank and connection to the Ray County Public Water Supply District #2 system. The City of Orrick has a population of 935.

Infrastructure Loans By Number of Issuances



Missouri
Infrastructure
Loan
Program

MIDOC Loans from Fiscal Years 1997 to 2000



BUILD

Business Use Incentives for Large-Scale Development



The Missouri Development Finance Board is authorized to issue BUILD Missouri Revenue Bonds. The purpose of this program is to provide a tool for the Department of Economic Development and MDFB to finance a portion of the eligible costs for businesses that seek to locate or expand in Missouri.

While the Department of Economic Development is in charge of marketing the program, the Board's role is to approve the proposed projects as well as issue and monitor the BUILD bond financings. Eligible projects must meet new job, capital investment, and general company eligibility requirements.

BUILD

FISCAL YEAR ENDED 1998:

UniGroup, Inc.

*United Van Lines, Inc.
Mayflower Transit, Inc.
UniGroup Worldwide, Inc.
United Leasing, Inc.
Vanliner Group, Inc.*

■ UniGroup - Fenton

UniGroup, Inc. is the parent company of United Van Lines and Mayflower Transit. These two van lines handle approximately one in three inter-city household goods relocations in the United States. The issuance of \$5,156,000 in BUILD bonds helped retain UniGroup's headquarters in Fenton as well as relocate Mayflower's national headquarters to this location. This move and expansion will create 500 new jobs that will have a starting wage of \$13.20 per hour.

■ Union Pacific - St. Louis

With the acquisition of Southern Pacific Railroad in 1996, Union Pacific became the largest railroad in the United States. With this acquisition came the need to consolidate jobs of similar functions. The company spent \$15 million at three St. Louis locations for renovations, furniture and fixtures, and technology infrastructure. BUILD proceeds of \$6,625,000 were used to help finance these expenditures. This consolidation planned to transfer or create 500 new jobs in Missouri that will pay an average of \$21.70 per hour in a city where the average wage is \$18.27.



■ Schreiber Foods - Mount Vernon

Schreiber Foods, founded in 1945, is a national leader in the marketing of natural process and substitute cheese products, precooked bacon slices and bacon bits, as well as prepared entrees. The \$16.7 million investment established an 82,000-square-foot facility that will produce process food slices to be sold throughout the United States. BUILD bonds of \$1,753,700 were issued to help pay for machinery and equipment. This facility will create 110 new jobs in three years. These jobs will have a starting wage of \$11.04 per hour. Lawrence County's average wage is \$9 per hour.

■ Copeland Corporation - Ava

This \$44-million project is expected to employ 152 people in three years and 219 people in five years. This facility will manufacture air conditioner coils and compressors to be distributed worldwide. Customers include names such as Carrier, Rheem, and Lennox.



Proceeds from \$513,825 in BUILD bonds were used to purchase machinery and equipment.

■ Caterpillar - West Plains

The world's largest manufacturer of heavy equipment used the proceeds of \$489,250 in BUILD bonds to



construct an 80,000-square-foot facility. The company's division manufactures high-pressure hydraulic hose products, which are not only used on all Caterpillar products, but



throughout the world. In three years, this \$15 million dollar project will employ 100 people with a starting wage of \$10 per hour. Currently, the average wage in Howell County is \$9 per hour.

FISCAL YEAR ENDED 1999:

■ American National Can - Joplin/Webb City

American National Can, now operating as Pechiney Plastics Packaging, utilized \$828,500 in BUILD bonds to finance a portion of the company's \$35 million investment. The new facility employs 120 workers and produces flexible plastic packaging for consumer products. The packaging is used for food, healthcare, and specialty products.

"The Missouri Development Finance Board (MDFB) and the Missouri BUILD program were key factors in Pechiney Plastic Packaging's decision to establish a new, state-of-the-art flexible packaging plant in Joplin in 1997. Working alongside a team of civic and community officials, MDFB and Pechiney were able to design an attractive development plan that met both our business objectives and operating needs, while representing the community's long-term interests. Since that time, MDFB has continued its support as we work to grow our business. Pechiney is proud to be part of the Joplin community."

– Robert J. Mosesian, Vice President
and Chief Financial Officer,
Pechiney Plastic Packaging, Chicago, Illinois

MasterCard to locate new facility in St. Louis

MISSOURI ENTERPRISE-March/April 1998:

MasterCard International will build its new Global Technology and Operations Center in the St. Louis region, a \$90 million project that will retain more than 1,000 jobs and eventually create 500 more. Gov. Mel Carnahan joined St. Louis area officials for the announcement in February.

Including part-time and contract workers, MasterCard currently employs about 1,400 programmers, software developers, and other office staff in four leased facilities in the Westport Plaza area in St. Louis. But for consolidation reasons and to provide for long-term expansion, the company began a search for a new site. Missouri was in competition with other states for the project, but for numerous reasons, the company selected Missouri.

"MasterCard officials spoke very favorably of the quality of life and the highly-skilled workforce in Missouri, which we believe gave us a definite edge," Carnahan said. "Securing this project for the St. Louis region is truly a testament to the quality of the workforce and what we can accomplish when we work together on the state, regional, and local level."

"I am pleased that the State of Missouri played an important role in making this project a reality."

Carnahan, representatives from the Missouri Department of Economic Development (DED), and the St. Louis Regional Commerce and Growth Association presented MasterCard a proposal earlier this year to keep the project in the St. Louis region. Based on the creation of 500 new jobs, the state package included the funding of infrastructure improvements through the BUILD Missouri program, job training programs, highway improvements, and a loan through the Missouri First Linked Deposit program.

"This project presents an excellent opportunity for Missouri citizens, as it promises to create hundreds of new, high-paying jobs in addition to the retention of about 1,000 existing full-time positions," said Joseph L. Driskill, DED director. "The MasterCard Global Technology and Operations Center fits perfectly with our goal to create high-wage, high-skill jobs for Missourians, and the development of technology oriented businesses to match. Ultimately, this center could serve as an anchor for a new technology corridor in the St. Louis region."

The MasterCard Global Technology and Operations Center serves as the technological nerve center for MasterCard International worldwide, and represents some of the most sophisticated technology in the financial services industry. MasterCard has more employees in St. Louis than any other location, including the company's New York corporate headquarters.

■ MasterCard - O'Fallon

MasterCard International Incorporated is a global payments services franchise serving card-issuing and merchant-acquiring institutions worldwide. This project consists of the establishment of a new Global Technology and Operations Center headquarters. In addition to creating over 1,000 new positions, the facility will also house the 1,025 employees currently working out of four different St. Louis facilities. The \$8,776,000 BUILD bond issue will assist with the infrastructure around the projected \$154-million investment.



■ AMDOCS - Des Peres

In September 1999, the Board issued a BUILD bond of \$1,549,000 to assist AMDOCS with the construction of a new computer software research and development center. The \$15-million facility will help this company expand its effectiveness in providing customized information systems for the telecommunications industry. AMDOCS offers customer care and billing platforms for wireline and wireless telecommunications carriers for directory publishers.

■ Procter and Gamble - Cape Girardeau

To assist with the road infrastructure around the Procter and Gamble plant, the Board approved \$5,161,500 in BUILD bonds. These bonds, combined with \$40 million in industrial revenue bonds, and company funds, will be used to finance the \$500-million expansion. The Board BUILD bonds were part of a comprehensive incentives package offered by the Department of Economic Development and is expected to create 437 new manufacturing jobs.

Procter & Gamble

■ Quintiles - Kansas City



In October 1999, Quintiles benefited from a \$5,613,300 BUILD issuance to create 532 new jobs and make approximately \$19 million in investment at its new site in Jackson County.

Quintiles offers pre-clinical, clinical, data management, and biostatistics and regulatory services. The location of Quintiles in Kansas City is helping the Department of Economic Development expand its targeted Life Sciences industry.

"Quintiles appreciates the Missouri Development Finance Board's efforts to encourage businesses to locate and grow their operations in the state of Missouri. The staff of MDFB provided excellent instructions and guidance to Quintiles throughout the entire process. The team we worked with at MDFB were responsive and professional."

– A. Deo. Garlock, Vice President, Quintiles, Inc.

■ Sara Lee - St. Joseph

In an effort to secure over \$93 million of investment and 250 new jobs, the Board issued \$625, 600 BUILD bonds to assist with the construction financing for a new 280,000-square-foot facility. The facility consists of four production lines used to produce hot dogs, smoked sausage, and sliced luncheon meat for Sara Lee's Hillshire Farm and Kahn's food division.



■ Lockton - Kansas City



Lockton Companies, the nation's second largest privately-owned brokerage firm and the nation's thirteenth-largest commercial insurance brokerage firm, will create 500 Missouri jobs and invest over \$15 million in a new 250,000-square-foot facility on the Country Club Plaza. The Board's \$2,218,000 in BUILD bonds were used to finance the fixtures, furniture, and equipment in the new headquarters facility.

BUILD

■ MCI WorldCom-BUILD Program - Weldon Springs

In April 1999, the Board approved \$6.196 million in BUILD bonds to assist with the financing of a new \$250 million dollar facility at Weldon Springs in St. Charles County. The project will create 1,350 jobs at this site. MCI WorldCom provides a full range of integrated communications services. The projected adjusted net state benefit is almost \$41 million dollars.



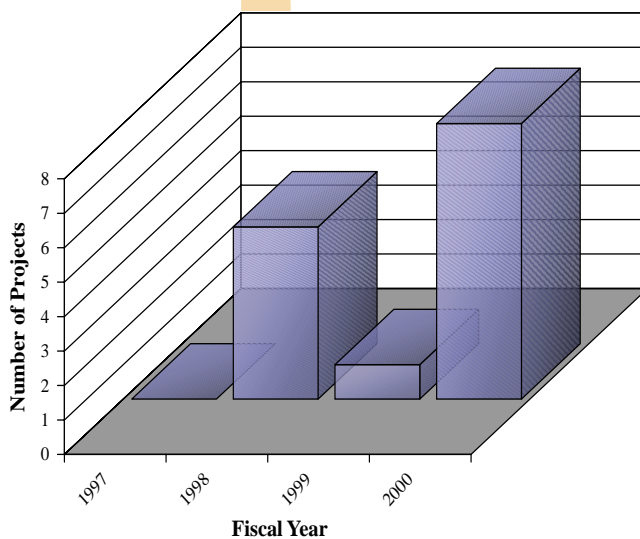
■ Aquila Energy - Kansas City

Aquila located its new headquarters in the Town Pavilion Office Building in Kansas City. This office building is located in the heart of a "Rebuilding Community" area of the city. Aquila will create 540 new high wage jobs. Aquila will use the BUILD bond proceeds of \$5,678,500 toward the company's \$41.2 million investment to house its energy marketing activities. By locating in this part of Kansas City, Aquila will provide added redevelopment to a distressed area.

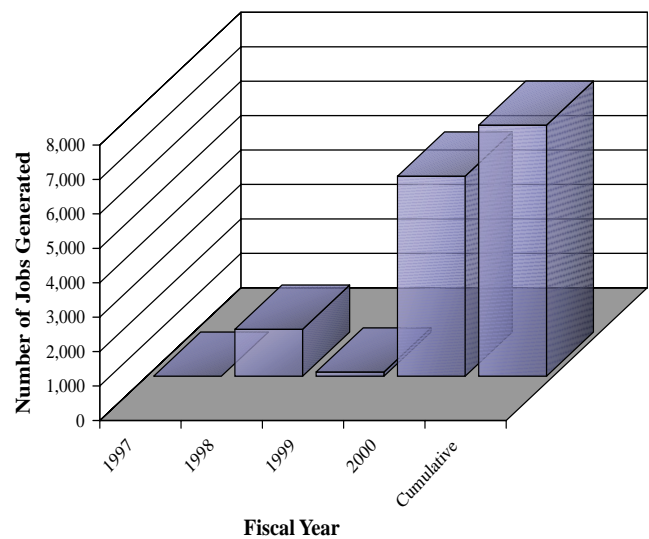
AQUILA ENERGY

A UtiliCorp United Company

**BUILD Missouri
Project Amounts**



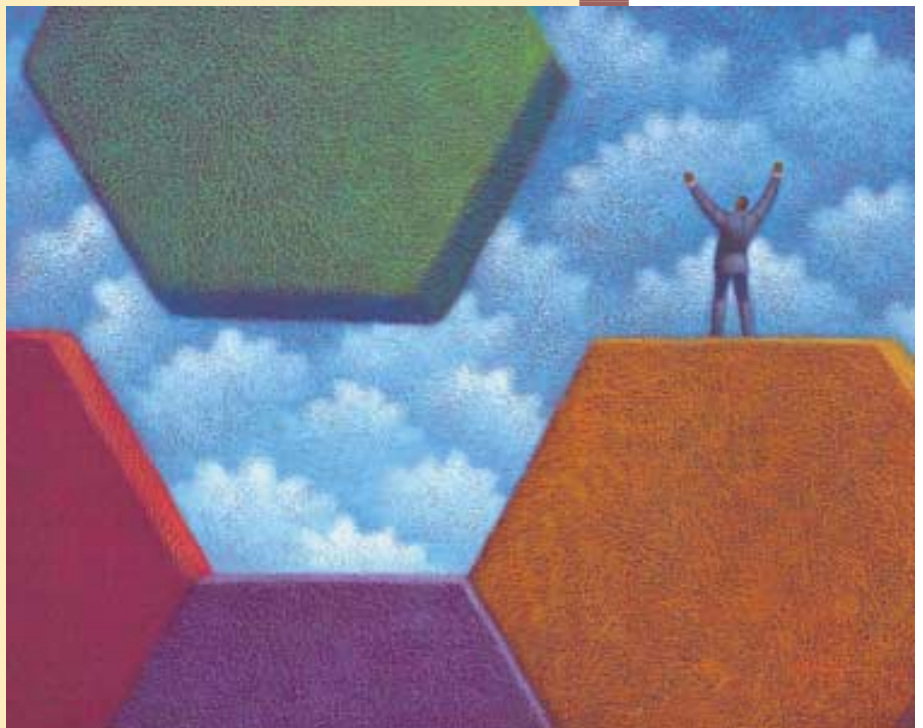
**BUILD Missouri
Jobs Generated**



City/State Partners Program

The City/State Partners Program is a joint effort between the Export Import (“Ex-Im”) Bank of the United States and state and local entities around the country to provide financing services to small and medium-sized U.S. companies that are

ready to export. Small businesses represent the economic sector with the greatest potential for American job and export growth. Despite the competitiveness of their products, smaller businesses often cannot secure commercial bank export financing. Frequently, they are unaware of the Ex-Im Bank’s programs and how to use them or cannot make the trip to Washington D.C. to apply for financing.



City/State Partners Program

“The Missouri Development Finance Board is very responsive to small business. They have promoted the state’s involvement in international finance in a very timely and professional manner.”

— John Blum, U.S. Small Business Administration (SBA), U.S. Export Assistance Center, St. Louis

To bridge the financing gap, Ex-Im Bank has formed partnerships with 33 state and local government offices and private sector organizations to bring its programs to the exporter at the lowest cost to the American taxpayer. Ex-Im Bank has resources in the form of loans, guarantees, and export credit insurance programs. State and local representatives have the staff and the knowledge of the local market and how to reach it. By pooling strengths in a local-federal partnership, both accomplish what neither could do alone - creating high-quality U.S. jobs and expanding the local tax base through exports.

On the Export Working Capital Program ...

“SBA’s Export Working Capital Program (EWCP) made it possible for us to accept the purchase order and perform. The EWCP enabled a company of our size—currently, two employees—to perform on an international order of great size. The Missouri Development Finance Board’s Export Program was a great benefit in packaging the loan request. With the assistance of First Community Bank of Johnson County, the loan was made and we were able to meet production.”

— James See, President, Concept Tool, Warsaw

In 1995, the State of Missouri initiated its participation in the City/State Partners Program which is administered by the Missouri Development Finance Board. The Board markets programs offered by Ex-Im Bank and packages applications for them. The Board’s relationship with the Ex-Im Bank provides Missouri companies a direct line to export financing.

The Board also works with the U.S. Small Business Administration (SBA) and the State Treasurer’s Office, which provide loan programs to support the production of goods and services for export.

Two of the most often cited barriers to exporting are obtaining funding and the fear of not being paid. Respectively, the working capital guarantee and insurance programs allow exporters to hurdle

these barriers. These specific financing opportunities can facilitate and ensure successful exporting.

In the State of Missouri, Export-Import Bank and the City/State Partners Program has supported 37 communities, 97 companies and financed a total of \$407.4 million in exports during the last five years. Ex-Im Bank financing has sustained an estimated 5,908 jobs and contributed to the success of many local companies in various communities.

“When we needed quick answers, the Missouri Development Finance Board got them. They were there to help us; they were quick and thorough. Through our export credit insurance policy, the company is able to comfortably provide open account terms to our customer. The policy insures that we will get paid and provides receivable financing for our company.”

— Larry Reader, Cupples Rubber Company, St. Louis

Special Features

The Missouri Development Finance Board is proud of its involvement with all projects. Certain projects and acknowledgements have brought great pride to the Board members, staff, and the citizens of the State of Missouri. Perhaps no other projects were more challenging and successful than the three projects that are highlighted within the special features section. Union Station, restored to its former glory; the Plant Science Center, dedicated to feeding the world; and Grand Center, enhancing the St. Louis

The Union Station Story

Kansas City's Union Station has played a central role in the community since its opening in 1914. The following highlights explain a small part of the continuing Union Station story.

1878 - Depot Built in West Bottoms

Several of the 14 railroads serving Kansas City merge their operations at one station. A unified or "union" depot is built in the vicinity of the stockyards in the West Bottoms, where the Kansas River flows into the Mighty Missouri. Union Depot is the largest of several railroad stations serving the city at the time.

1903 - West Bottoms Floods

The second Kansas City flood (the first major flood was in 1844) consumes the Union Depot. The entire West bottoms is flooded under several feet of water for over a week. Train travel ceases for several days. Railroad company executives and city leaders agree that a new train station, one on higher ground, must be built.

1906 - KCTR

Twelve of the railroads serving the city unite to form the Kansas City Terminal Railway Company (KCTR) in order to establish one station for Kansas City. Chicago architect, Jarvis Hunt, is selected to design Kansas City's new Union Station. KCTR continues to exist today but with half the railroads. KCTR is responsible for maintaining railroad tracks, switches and bridges throughout the metropolitan area plus routing trains safely through Kansas City.

The Union Station Story



The Union Station Story

1911-1914 - Grand Opening

Excavation of the site and construction of Union Station begins in 1911. The Station officially opens October 30, 1914 with two days of festivities. Envisioned as the grand entrance to Kansas City and gateway to the west, Union Station is designed in the beaux-arts architectural style popular in America and France in the late 1800's and early 1900's. The building features a 95-foot ceiling in the Grand Hall, three 3,500 pound chandeliers, a six-foot diameter clock hanging in the Station's central arch, a North Waiting Room that holds 10,000 people, beautiful marble stone work in the men's and women's lounges, highly detailed architectural finishes including ornate oak leaf plaster and much more.



Restored Grand Hall ceiling

The station complex cost about \$6 million to build and was part of a massive \$50 million investment by KCTR to expand Kansas City's railroad infrastructure including extensive track additions, switching towers, viaducts, bridges and other improvements. This is comparable to a \$1 billion investment today.

The entire Union station complex consists of 10 levels, 900 rooms and about 850,000 square feet of space. Along with the t-shaped Headhouse containing ticketing, a waiting room, restaurants, several shops and various railroad offices, the complex also includes the nation's largest Railway Express Building (used for shipping freight and mail), and a Power House that provided steam heat and power to operate the Station and the railroad's many operations.

1917 - Traffic Peaks

Rail traffic peaks during World War I - with 79,368 trains passing through the Station, including 271 trains on one day.

1921 - Liberty Memorial

For the first and only time in history, the five World War I allied commanders met together as they arrived at Union Station for the Liberty memorial groundbreaking ceremonies. Completed in 1926, Liberty Memorial is the only monument in the U.S. dedicated to the men and women who served and died in World War 1.

1933 - Union Station Massacre

Convicted mobster Frank Nash, under escort by a team of FBI agents and Kansas City Police officers, is killed in front of Union Station. Four law enforcement officials also die as fellow mobsters tried to free the captured Nash. The event makes national headlines and becomes know as the "Union Station Massacre."

1945 - Making History

Passenger traffic hits a record 678,363 travelers with a significant number of America's armed forces personnel passing through Union station on their way home from World War II. Union Station and the Harvey House restaurants and shops make for a 24-hour-a-day beehive of activity and the heart and soul of Kansas City life.

1950 -1970 - Traffic Slows

Passenger rail traffic starts to decline as the airline industry grows.

1968 - Business Dies Down

The Fred Harvey Company operations - including *The Westport Room* restaurant and retail shops - are closed. The *Westport Room* mural is removed from the building and given away.

1972 - Historic Site

Union Station's t-shaped Headhouse receives federal designation as a protected structure and is placed on the National Register of Historic Places. The building receives City of Kansas City Landmark Commission designation in 1986.

1973 - Amtrak Corporation

The Station's passenger traffic drops to only 32,842 for the year. The Amtrak Corporation now operates passenger rail travel throughout the U.S. Only six trains a day pass through Union Station.

1974 - Trizec Corporation

The City of Kansas City approves a contract with the Trizec Corporation, a Canadian redevelopment firm, to develop the 56 acres of KCTR's historic railroad property. The agreement also includes fixing up Union Station and adding new uses to the facility



1979 - 1986 - Pershing Square

Trizec constructs two office buildings, One and Two Pershing Square, on the property around Union Station but is unable to bring about any improvements to the Station.

The Union Station Story

1983 - Coming to an End

Union Station closes its doors except for two remaining tenants. Amtrak's ticket office is housed inside an inflatable bubble located at the east end of the Grand Hall. The bubble is taken down in 1985 when the new Amtrak station opens a block away on Main Street. The *Lobster Pot* remains open in the east wing. Building maintenance ceases everywhere in the facility except for the sump pumps located 50 feet below the main floor. The pumps must operate continuously in order to keep the basement from flooding.

1989 - Deterioration

The *Lobster Pot* restaurant closes. The building continues to sit empty for several years with rain inflicting more and more decay to the ornate plaster, steel structure and limestone walls. The cold winter freezes are especially cruel to the building as the water turns to ice, expands and cracks the plaster and deteriorates other building materials at an alarming rate. Large sections of the ceiling begin to break and fall to the floor. Union Station is now categorized as a dangerous building.



1994 - Lawsuit Settled

The city and Trizec agree to settle their six-year lawsuit. The agreement includes the establishment of a new nonprofit organization set up to own the Station. The Union Station Assistance Corporation (USAC) is formed and the restoration process begins. The Kansas City Museum agrees to locate Science City within the building as the primary attraction.

1996 - Bistate Tax Passed

On the heels of securing \$100 million in private contributions and \$40 million in federal funds, four counties (three from Missouri and one from Kansas), approve the historic \$118 million one-eight-cent bistate sales tax to help restore Union Station and create Science City. The passage of the bistate, or two-state tax, is the first of its kind in the history of the United States.

1997 - Cleanup

The first stage of restoration work begins with cleaning out the old interior structure and removing thousands of pounds of environmental contaminants including asbestos and lead base paint.



1998-1999 - Restoration Begins

The reconstruction phase begins with the goal of a November 1999 grand opening.

1999 - Grand Opening

On November 10th, Union Station's grand re-opening ceremony occurs and the building is open to the public. Kansas City maintains its position as the second busiest railroading center in America (after Chicago) with up to 180 trains passing by Union station each day. Plans are under way to reopen Amtrak and passenger rail operations inside Union Station within two years.



The Union Station Story

MDFB Involvement

The renovation of Union Station is the largest public-private redevelopment

partnership in Missouri. The redeveloped Union Station houses an interactive, education-oriented "Science City at Union Station." Other uses include a multi-modal transportation hub, IWERKS theater, restaurants, and retail space. The Board granted the Union Station project \$21 million in tax credits to leverage \$42 million in private contributions. The contributed funds are being used in conjunction with the \$121,100,000 in Cultural Facility bonds issued by the Board to renovate historic Union Station and construct Science City. A unique voter approved Bi-State Tax, private contributions, Board assistance, and various Federal grants provided the necessary funding for this landmark project.



Donald Danforth Plant Science Center

Donald Danforth Plant Science Center

All human life depends on plants. Given the steady growth of world population and the current use of unsustainable agricultural practices, we face the likelihood of increasing malnutrition, starvation, and the inevitable social unrest that will accompany such scourges. If we are to survive in a peaceful world, we must urgently look to a new revolution, a revolution in plant science.

"One of the things that makes Missouri stand out as a center for life sciences is the exciting atmosphere of collaboration that exists here between private and state universities, and continuing the cycle, between universities and private industry."

– Roger N. Beachy, Ph.D., President,
Donald Danforth Plant Science Center

This revolution must logically arise from a deeper understanding of how plants grow and develop, how they resist disease and drought, heat and cold, and what adaptations must be made to decrease the need for chemical fertilizers and pesticides. The mandate of the Donald Danforth Plant Science Center is to lead that revolution.



The research groups at the Donald Danforth Plant Science center are currently investigating three main areas: cell and molecular biology, plant cell and tissue culture, and computational biology. Three principal investigators, Dr. Roger N. Beachy, Dr. Jeffrey Skolnick, and Dr. Claude Fauquet head research teams.

Artist's
rendering
of the
Danforth
Plant
Science
Center



MDFB Involvement

\$50 million in private contributions generated from twenty-five million dollars in tax credits were used to provide partial financing of the Donald Danforth Plant Science Center - a \$146.4 million dollar state-of-the art plant biology research center located in Creve Coeur, a St. Louis suburb. Eventually, the Danforth Center is expected to create, either directly or indirectly, 1,000 jobs that provide more than \$50 million in salaries and benefits. In addition, the Danforth Center will assist start-up to 30 new businesses that are expected to employ 3,000 people over the next 25 years.

Donald Danforth Plant Science Center

"As we stand on the brink of a new millennium, there is no greater challenge ahead than to feed the world's population and to ensure the health of our children and to accomplish that without further degradation of the earth that sustains us. This collaboration between public and private sectors, between academia and industry, will bring together some of the best scientific minds of our time."



- Jimmy Carter,

39th President of the United States



Missouri Governor Mel Carnahan hailed the Center for "sowing the seeds for Missouri's future."



Grand
Center

Grand Center - St. Louis

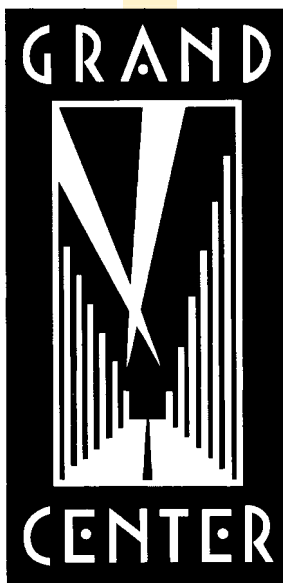
In December 1995, the Missouri Development Finance Board granted \$950,000 in tax credits to generate \$1.9 million in private contributions toward the redevelopment of the Grand Center area, a ten-block area around Grand Boulevard near the St. Louis University campus. The funds have been used to demolish blighted

buildings; complete environmental remediation; and, prepare sites for the construction of a new public television facility, a privately-funded educational museum center,

and to expand a contemporary arts museum. During 1997, public television station KETC-Channel 9, moved into the new

Julius and Freda Baer

Memorial Building and one year later, construction started on the \$8 million Pulitzer Foundation for the Arts facility.





Grand
Center

The past ...



The explosion ...



The present and future:
the Julius and Freda Baer
Memorial Building

Awards Received

Focus St. Louis Award “What’s Right with the Region 2000”

On June 7, 2000, the Missouri Development Finance Board was honored to receive the Focus St. Louis “What’s Right with the Region 2000” Award.

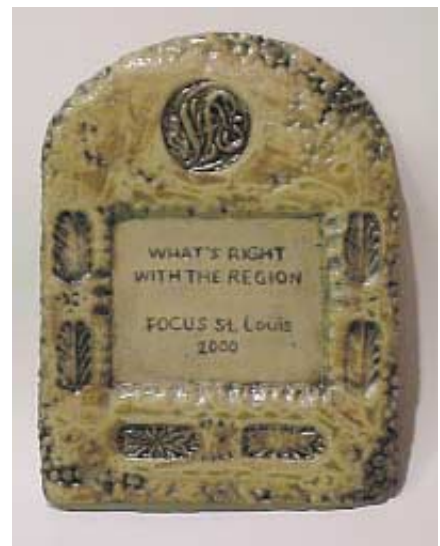
“Undoubtedly, the work of the Missouri Development Finance Board has spurred widespread cooperation among the public and private sector, philanthropy from individual citizens, and economic development that benefits the entire region.” - FOCUS St. Louis.

FOCUS St. Louis is a non-profit organization supported by thousands of members in all 23 counties of the bi-state region. Its mission is to create a cooperative, thriving region by engaging citizens in active leadership roles to influence positive community change. FOCUS St. Louis’ highest priorities include:

- Good Government
- Racial Equality and Social Justice
- Quality Educational Opportunities
- Sustainable Infrastructure

FOCUS St. Louis’ values include:

- Citizen Involvement
- Quality Leadership
- Regional Perspective
- Community Consensus
- Focused Outcomes



1999 Economic Development Corporation of Kansas City Cornerstone Award

*"For the contribution the MDFB has made to
Kansas City's Economic Strength"*

Awarded to the Missouri Development Finance Board in the autumn of 1999, the Cornerstone Award program was initiated over 20 years ago to recognize investments by companies in Kansas City. Originally, a theme of "commitment to Kansas City" prevailed at the awards program, and generally only new business construction and renovation projects received awards. As time has progressed, the selection committee has expanded the award to include neighborhood projects, technological investments, promotion of international trade, and film production projects as well as housing, community, and educational projects.

The selection committee, made up of EDC Board members, now selects winning projects based not only on investment and new jobs, but also on the project's effect on issues like education, quality of life, and impact on the community and surrounding neighborhoods.

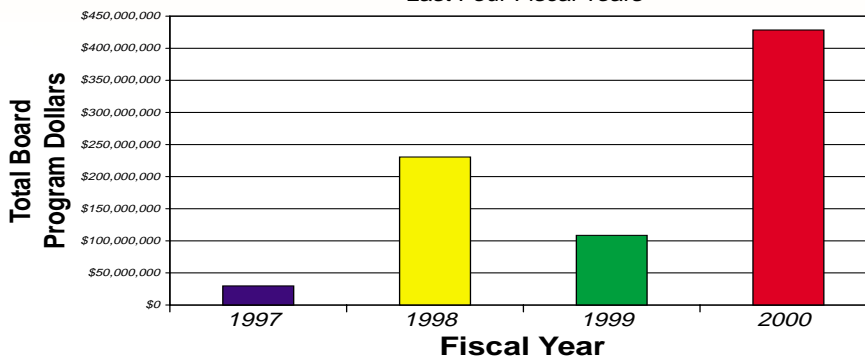
The impact could be new jobs, new construction, investment in technologies, job preservation, educational opportunities, trade promotion, or new housing. The Cornerstone Award program reflects the complexity of issues surrounding economic growth and development.



Missouri Development Finance Board's Primary Goals

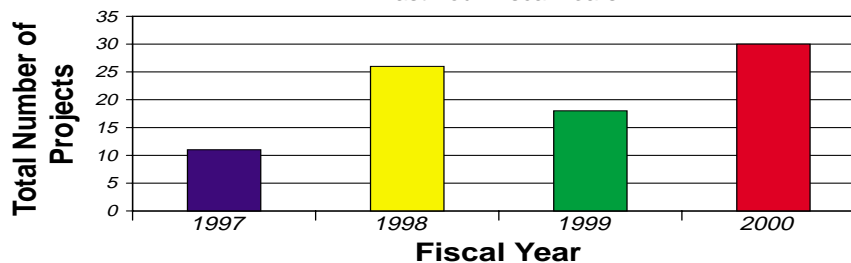
MDFB Projects - TOTAL ASSISTANCE

Last Four Fiscal Years



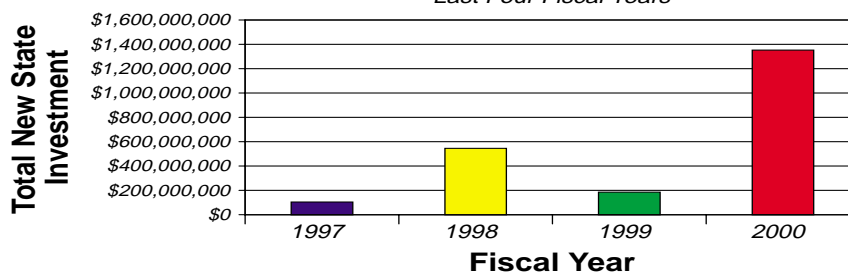
MDFB Projects - TOTAL PROJECTS

Last Four Fiscal Years



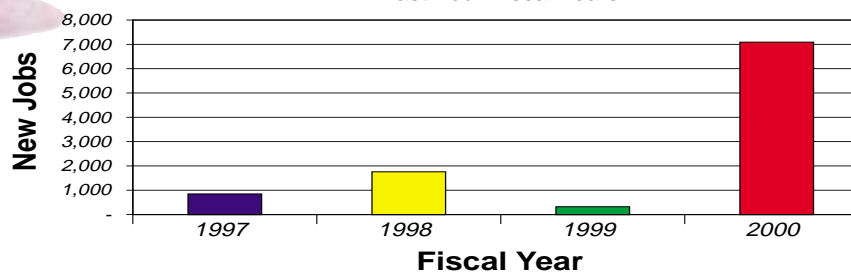
MDFB Projects - TOTAL INVESTMENT

Last Four Fiscal Years



MDFB Projects - TOTAL NEW JOBS

Last Four Fiscal Years



Financial Summary

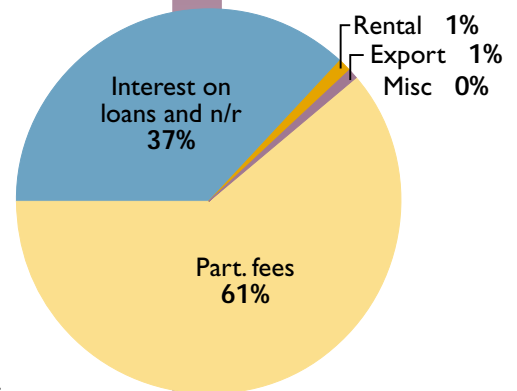
Net income for the twelve months ending June 30, 2000, continues the upward trend in the Board's overall financial results as compared to the same period in fiscal year 1999. Net income for the twelve months ended June 30, 2000, was \$3,721,729 versus net income of \$1,388,811 in the same period in fiscal year 1999. The increase resulted from an increase in operating income from fees generated by industrial revenue bonds, infrastructure bonds, and the BUILD program.

RSMo Section 100.700 approved the Business Use Incentives for Large-Scale Development Act that created the BUILD program. During fiscal year ending 1998, the Board used the BUILD program to issue five bonds and approve four new projects. During fiscal year ended 1999, a single bond was issued and five new bonds were approved. In fiscal year 2000, one new issue was approved and eight closed. Since the program's inception, the Board approved 15 BUILD bond projects for various locations throughout Missouri. The total jobs created - once all currently approved BUILD bonds are issued - will be approximately 5,800 jobs and would include over \$1 billion in new private investment within Missouri.

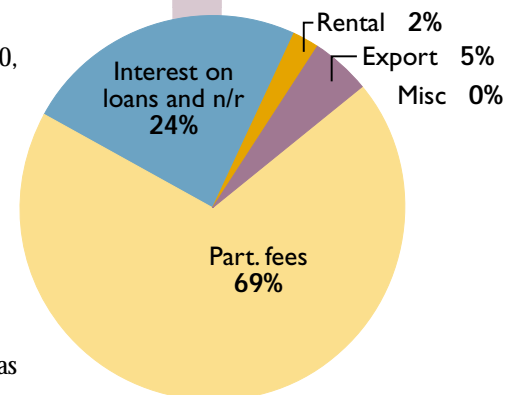
The Tax Credit for Contribution program experienced increased activity during the twelve months ending June 30, 2000. Restricted assets and the corresponding liability have decreased \$9,504,593 since the beginning of the fiscal year, primarily due to large distributions to the Plant Science Center and Fish and Wildlife. All other tax credit projects have an aggregated net increase of approximately \$11.4 million. As expected, a large volume of tax credit contributions was received in December as contributors gave money to secure tax credits for their 1999 tax returns.

The Board's activities for the twelve months ending June 30, 2000, have provided adequate funding for administrative and program expenses of the Board. Total assets at June 30, 2000, were \$87,076,117 as compared to assets at June 30, 1999, of \$91,958,219 - a decrease of approximately \$4.9 million during fiscal year 2000. But, this decrease is primarily due to the large disbursements to the Plant Sciences Institute and Fish and Wildlife projects, as noted above. The large decrease in the restricted assets was offset by the decrease in the restricted contribution liability.

FYE 2000 Operating Revenue



FYE 1999 Operating Revenue

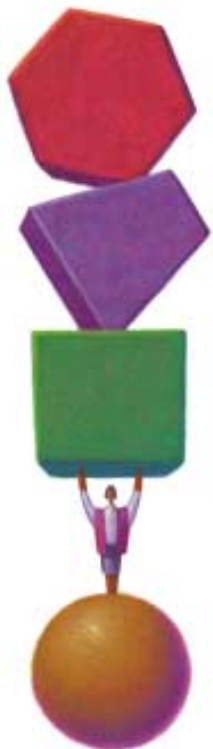


Financial Summary

Missouri Development Finance Board Combined Balance Sheets

	Fiscal Year Ended June 30,			
	1997	1998	1999	2000
ASSETS				
Cash and investments	\$ 5,744,031	\$ 7,439,681	\$ 5,691,278	\$ 12,962,325
Loans and notes receivable	6,631,212	7,830,490	12,869,021	10,414,490
Accrued interest on investments	130,037	97,156	158,713	171,673
Accrued interest and fees on loans receivable	37,108	60,301	36,854	34,982
Prepaid expenses and other assets	11,595	20,121	156,613	18,304
Restricted assets	3,502,439	43,722,918	71,190,960	61,686,367
Bond issuance costs, less accumulated amortization	54,900	49,500	34,052	29,882
Land, building, and equipment, net	<u>1,944,474</u>	<u>1,887,718</u>	<u>1,820,728</u>	<u>1,758,094</u>
Total assets	<u>\$ 18,055,796</u>	<u>\$ 61,107,885</u>	<u>\$ 91,958,219</u>	<u>\$ 87,076,117</u>
LIABILITIES				
Accounts payable and other accrued liabilities	\$ 43,150	\$ 21,897	\$ 18,375	\$ 33,727
Tax credit for contribution deposits	1,529,439	42,817,918	69,785,960	60,061,367
Deferred revenue	3,946,229	2,752,997	2,750,000	—
Loan guarantee default reserve	—	—	—	<u>132,179</u>
Total liabilities	<u>5,518,818</u>	<u>45,592,812</u>	<u>72,554,335</u>	<u>60,227,273</u>
FUND EQUITY				
Contributed capital	7,935,159	8,943,159	11,383,159	15,046,390
Retained earnings	<u>4,601,819</u>	<u>6,571,914</u>	<u>8,020,725</u>	<u>11,802,454</u>
Total fund equity	<u>12,536,978</u>	<u>15,515,073</u>	<u>19,403,884</u>	<u>26,848,844</u>
Total liabilities and fund equity	<u>\$ 18,055,796</u>	<u>\$ 61,107,885</u>	<u>\$ 91,958,219</u>	<u>\$ 87,076,117</u>

Complete audit report available upon request.



Missouri Development Finance Board

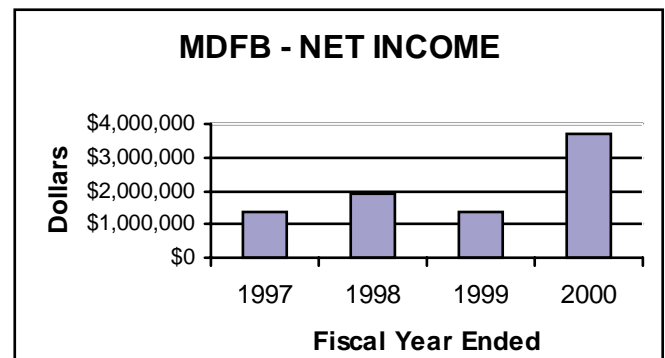
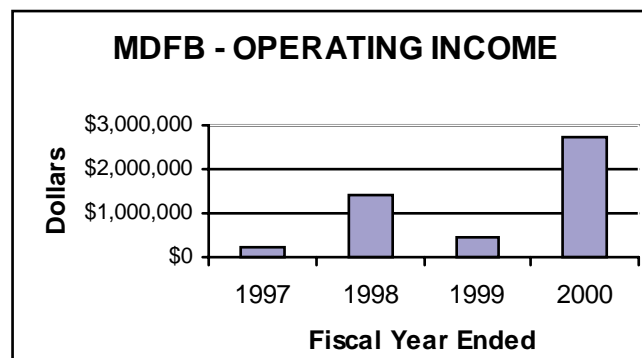
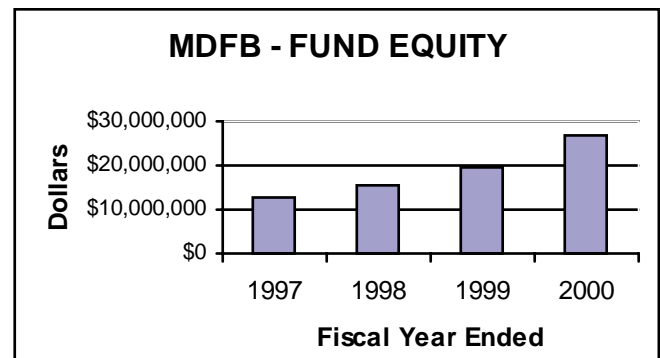
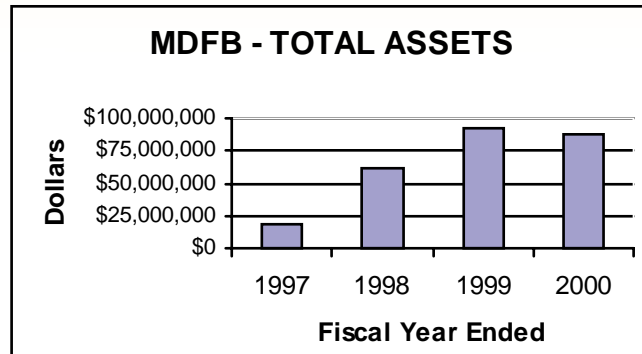
Combined Statements of Revenues, Expenses and Changes in Retained Earnings

Financial Summary

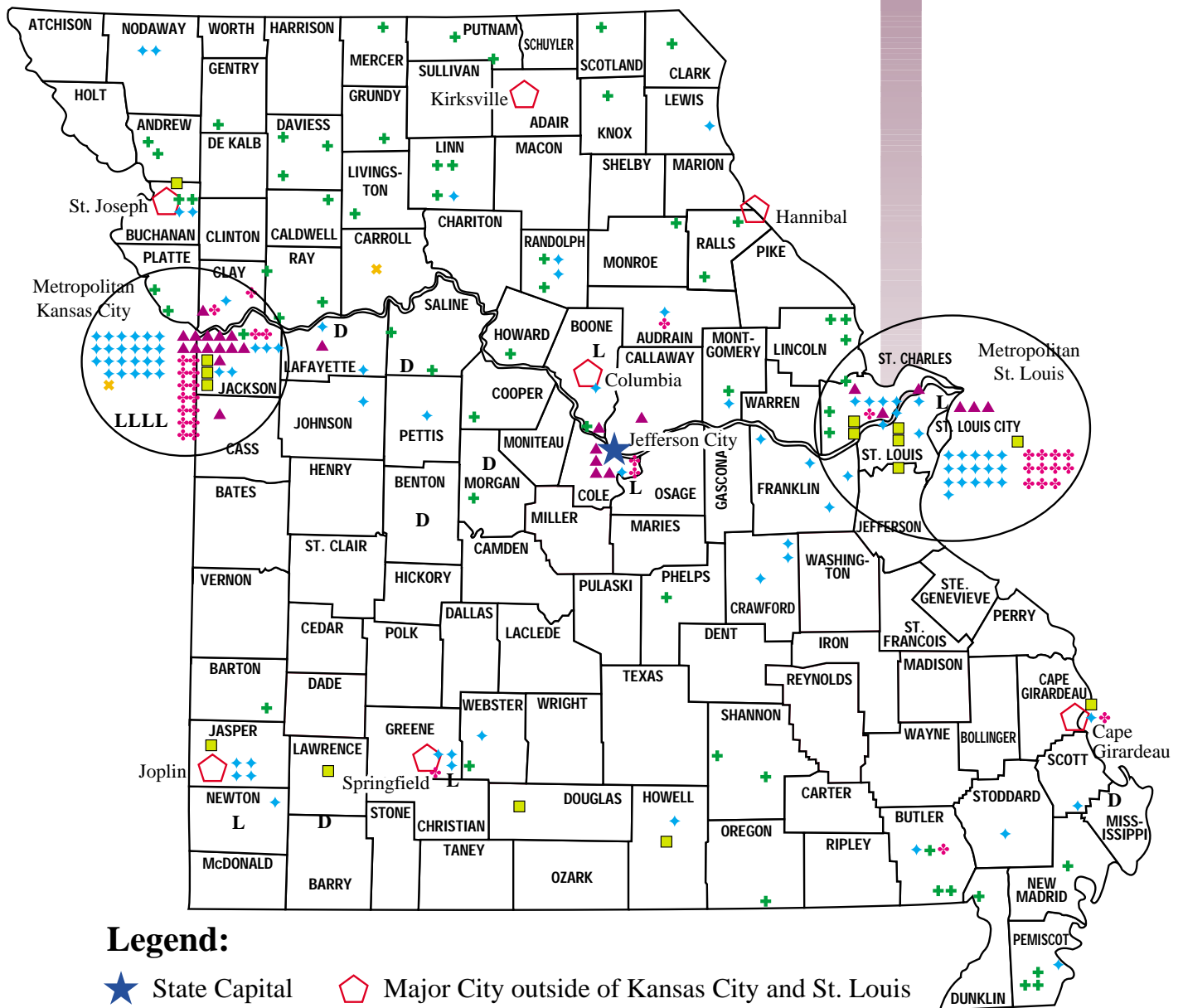
	Fiscal Year Ended June 30,			
	1997	1998	1999	2000
OPERATING REVENUES				
Participation fees	\$ 260,270	\$ 1,302,647	\$ 894,503	\$ 2,137,021
Interest income on loans and notes receivable	260,243	565,377	308,915	1,321,095
Rental income	25,008	52,568	32,061	25,008
Contractual income	68,550	72,149	58,918	52,188
Other income	<u>32,379</u>	<u>88</u>	<u>174</u>	<u>89</u>
Total operating revenues	<u>646,450</u>	<u>1,992,829</u>	<u>1,294,571</u>	<u>3,535,401</u>
OPERATING EXPENSES				
Personnel	176,342	250,168	263,387	363,858
Professional fees	75,703	38,680	111,893	44,062
Travel	34,544	36,214	47,532	65,262
Supplies and other	40,720	54,846	43,496	101,664
Depreciation and amortization expense	74,887	74,426	95,292	80,278
Bond expense	3,761	15,000	—	—
Loan guarantee default	<u>—</u>	<u>96,301</u>	<u>257,037</u>	<u>132,179</u>
Total operating expenses	<u>405,957</u>	<u>565,635</u>	<u>818,637</u>	<u>787,303</u>
Operating income	\$ 240,493	\$ 1,427,194	\$ 475,934	\$ 2,748,098
NON-OPERATING INCOME				
Interest on cash and investments	400,351	386,600	655,840	973,631
State appropriations for loan guarantee default	—	96,301	257,037	—
Gain on bond prepayment	<u>714,166</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net non-operating income	<u>1,114,517</u>	<u>482,901</u>	<u>912,877</u>	<u>973,631</u>
Net income	\$ 1,355,010	\$ 1,910,095	\$ 1,388,811	\$ 3,721,729
Add depreciation on contributed capital	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>
Increase in retained earnings	1,415,010	1,970,095	1,448,811	3,781,729
Retained earnings, beginning of year	<u>3,186,809</u>	<u>4,601,819</u>	<u>6,571,914</u>	<u>8,020,725</u>
Retained earnings, end of year	<u>\$ 4,601,819</u>	<u>\$ 6,571,914</u>	<u>\$ 8,020,725</u>	<u>\$ 11,802,454</u>

Complete audit report available upon request.

Financial Charts



Project Locations Since Inception



Memorials



GOVERNOR MEL CARNAHAN 1934 to 2000

Missouri Governor Mel Carnahan, his son, Roger, and former chief of staff, Chris Sifford, were killed in a plane crash Monday, Oct. 16, 2000, 30 miles south of St. Louis. Mel Carnahan was elected Missouri's 51st governor on Nov. 3, 1992, and re-elected Nov. 5, 1996. Born in Birch Tree, Mo., in 1934, Carnahan's devotion to public service came naturally, following the lead of his father, the late A.S.J. Carnahan, who served as superintendent of public schools for many years before being elected to the U.S. Congress in the mid-1940s.

Governor Carnahan entered public life at age 26, when he won election as a municipal judge in his hometown of Rolla. Two years later, he was elected to the Missouri House of Representatives. After two terms, he returned to his law practice. However, in 1980, he returned to public office, after being elected State Treasurer. Four years after leaving the treasurer's office, Carnahan returned to public service by winning the election as Missouri's 42nd Lieutenant Governor.

Governor Carnahan's accomplishments include developing the state's first comprehensive economic development plan and conducting a thorough review of state government operations to improve government efficiency and service to citizens. Governor Carnahan's leadership also resulted in Missouri's Outstanding Schools Act of 1993, which began major reforms in the state's schools.

TROY COLE 1971 to 1998

On July 30, 1998, Troy Cole, Assistant to Lieutenant Governor Roger Wilson and friend of the Board, was killed in an automobile accident while traveling as a representative of the Lieutenant Governor to the formal announcement of the Plant Science Center in St. Louis. His commitment to the Board and the citizens of the State of Missouri will be missed.





MISSOURI DEVELOPMENT FINANCE BOARD

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